



ANNUAL REPORT 2013

DEVELOPMENT/ENGINEERING/
CONSTRUCTION/INVESTMENT



Focus

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

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Focus



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FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED



MESSAGE FROM CHAIRMAN



In 2013, Thai economy was affected by the global economic conditions and domestic political unrest, affecting the confidence and investment climate of the country. The property market last year grew by approximately 5% last year because of the continued demand for housing even though the cost for construction materials and labor have gone up together with stricter lending policies by financial institutions.

The construction business for 2014 is expected to carry on from the continuation of the projects from last year. With the house resolution and the general election in February, 2014, many investments by the public sector have delayed due to the ruling to be made by the Constitution Court on the 2 trillion Baht Borrowing Bill to modernize the transportation infrastructure and the implementation by the new Government.

The company's Board of Directors has adjusted the strategic direction to meet the current business environment. Concentration has been given to projects with quality and improvement of service to gain more confidence from our existing and new customers. In addition, we continue to emphasize in managing our direct costs and cash flow in order to grow with quality. We have been very careful in mitigating our risks under the current volatile economic situation and managing our business to meet our company's objectives. This also includes the maintaining and improving of good corporate governance. We also engage in CSR activities to show our responsibilities to the society and environment.

On behalf of the Board of Directors, I would like to thank our shareholders, customers, and business partners for the continued support. I also would like to thank all of our staffs for their dedication and hard working. I am confident that with the continued support and cooperation, the company will continue to expand satisfactorily.

Mr. Anucha Sihanatkathakul
Chairman of the Board

To Shareholders of Focus Development and Construction Public Company Limited

The Company's Audit Committee comprises three independent directors, who are not the members of the Company's Management. The term of the Audit Committee lasts two years, from March 1st, 2012 to April 30th, 2014. The directors are expertise in finance, law, accounting, organizational management and have never been the Company's advisors or have had any conflicts of interest with the Company before as follow:

- | | | |
|--------------------------|------------|-----------------------------|
| 1. Mr. Phasunsook | Ayanaputra | Chairman of Audit Committee |
| 2. Pol. Maj.Gen. Suthorn | Boonruang | Audit Director |
| 3. Mr. Pornsanong | Tuchinda | Audit Director |

Thereby, Miss. Sarinda Watwathin carries out duties as Secretary of Audit Committee.

Each member of the Audit Committee is an independent director, and possesses all the qualification required by the Stock Exchange of Thailand. Moreover, entrusted by the Company's Board of Directors to bear responsibilities and to perform duties, the Audit Committee's members perform their duties in accordance with the requirements of the Stock Exchange of Thailand.

In 2013, the Audit Committee held four meetings, and one meeting with the auditors, but without the Management's participation. The Audit Committee submitted the reports of every meeting to the Board of Directors, which can be summarized into important points as follows:

- Reviewing the 2013 quarterly and annual financial statements which have been reviewed and inspected by certified public accountants prior to submitting to the Board of Directors and prior to being publicized to shareholders and general public, with the auditor's explanation for every question. All auditors' suggestions would be applied in compliance with the law and general accepted accounting standard, together with the adequate disclosure of the information in the financial statement to the shareholders and other related persons.

- Reviewing the disclosure of inter-transaction and issues that may cause the conflict of interest
- Reviewing the appropriation of the internal and assets control system of the Company
- Considering, suggesting and advising about the auditing plans of the internal audit department focusing on objectives and scope of auditing that covers risks in each work unit
- Reviewing the operations and suggestions of internal auditors, proposed for the management's implementation
- Reviewing the performance of the auditors in their functions during the past year. Recommendation to appoint the auditors and fix the remuneration of auditors to the Board of Directors

The Auditor Committee has concluded that the Company's financial statement is prepared in accordance with the general accepted accounting standard, and the disclosure of the information in the financial statement is accurate. The Company has also paid attention to the good corporate governance policy that was responding to the regulations of the Stock Exchange of Thailand and other related laws. PV Audit Co., Ltd, an independent auditor appointed by Focus Development and Construction Public Company Limited attests that this report of the 2014 financial statements is prepared in accordance with applicable law as required by the Stock Exchange of Thailand and being paid with the consultation fee in the amount of 525,000 baht.

(Mr. Phasunsook Ayanaputra)
Chairman of Audit Committee



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01 Mr. Anucha Sihanatkathakul
Chairman of the Board

02 Mr. Jeremy Lechemere King
Vice Chairman

03 Mr. Michael de Santiesteban
Director

04 Mr. Pornsanong Tuchinda
Director and

05 Mr. Phasunsook Ayanaputra
Director and Chairman of
Audit Director

06 Mr. Nontawat Thongmee
Director and Managing Director

07 Pol.Maj.Gen. Sunthorn Boonruang
Director and Audit Director

08 Lt.Gen. Thavalaya Prapapant
Director

09 Mr. Thomas C. Thompson
Director and Audit Director

10 Mr. Patrick M. Davenport
Director

11 Mr. Tanakorn Leelasiri
Director

GENERAL INFORMATION

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Focus



Focus Development and Construction Public Company Limited

Company's Registration Number 0107545000331 (original number:40854500706)

Location 25, Alma link Building, 9th Floor, Soi Chidlom, Ploenchit Road,
Lumpini Sub-district, Patumwan District, Bangkok 10330
Telephone : 0-2650-3063-4, 0-2650-3105-9
Fax : 0-2650-3065-6
E-mail : info@focus-pcl.com
www.focus-pcl.com

Main contractor: Construction and Real Estate Development Business

Registered Capital 400,000,000.00 Baht, dividing into 400,000,000.00 ordinary shares,
at 1.00 Baht per share

Paid-up Capital 126,720,000 Baht, dividing into 126,720,000 ordinary shares,
at 1.00 Baht per share

Reference:

Securities' Registrar Thailand Securities Depository (Thailand) Company Limited
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone : 0-2229-2800 Fax : 0-2654-5427

Auditor Mr. Prawit Viwanthananut, C.P.A. License No. 4917

(as of December 31st 2013) PV Audit Company Limited
100/19, 14th Floor, Wong Wanich B Building,
Rama IX Road, Huay Kwang District, Bangkok 10310
Telephone : 0-2645-0080 Fax : 0-2645-0020 www.pvaudit.co.th

Legal Consultants -None-

PROJECT : FOCUS PLOENCHIT (CONDOMINIUM)



**DEVELOPMENT/
ENGINEERING/
CONSTRUCTION/
INVESTMENT**



PROJECT : THE NEST PLOENCHIT (CONDOMINIUM)



PROJECT : W DISTRICT (TRUNC C)



PROJECT : PHUPHATARA KHAOYAI (CONDOMINIUM)

PROJECT :
KANYARAT LAKEVIEW (CONDOMINIUM)



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PROJECT : SUCRE KHAOYAI



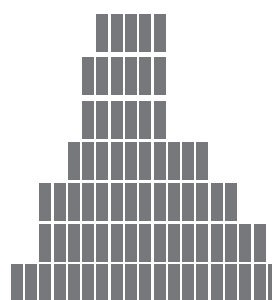
PROJECT : THE PHYLL.



PROJECT : SUCRE KHAOYAI

Financial Information (Unit : Million Baht) 2013 2012 2011

Total Assets	649.24	705.22	484.80
Total Liabilities	488.57	527.26	358.27
Total Shareholders' Equity	160.67	177.96	126.52
Revenue from Construction	1,077.85	894.49	548.15
Revenue from Real Estate Development	22.90	207.10	49.41
Total Revenues	1,108.83	1,105.98	602.92
Net loss for the year	(20.71)	49.70	12.45
Financial Ratio			
Liquidity Ratio (times)	1.44	1.23	0.99
Net Profit Ratio (%)	(1.87)	4.49	2.06
ROE (%)	(12.23)	32.64	13.07
ROA (%)	(3.06)	8.35	3.37
Basic Net Profit (loss) Per Share (Baht)	(0.16)	0.40	0.10
Dividend Payout Ratio (%)	-	-	-
Debt to Equity Ratio (times)	3.04	2.96	3.36
Book Value Per Share (Baht)	1.27	1.38	0.85



**COMMITTED TO
BEING PROFESSIONAL
IN CONSTRUCTION**

STRUCTURE OF REVENUES

	2013		2012		2011	
Business Category	Revenues	%	Revenues	%	Revenues	%
1. Revenues from Construction	1,077.85	97.21	894.49	80.88	548.15	90.92
2. Revenue from Real Estate Development	22.90	2.06	207.10	18.72	49.41	8.19
3. Other incomes	8.08	0.73	4.39	0.40	5.36	0.89
Total	1,108.83	100.00	1,105.98	100.00	602.92	100.00



Obligation: to pursue the professionalism in construction business and develop real estate to respond to the customers' needs and wants by concerning about the change in technology, society, and environment.

Our company concerns most on the importance of sustainable growth development. The company itself and every level of employees need to have a good corporate governance and create the most suitable return for all stakeholders of the company.

3.1 Company Profile

Focus Development and Construction Public Co., Ltd. was established on March 30th, 1989 under the name of "Pasuput Co., Ltd." operating as a general construction project from both public and private sectors. November 4th, 2002, the company was changed to the public limited company and was registered as the listed security in the stock market MAI on October 5th, 2004 under the registered security name of "FOCUS".

November 5th, 2008 at the extraordinary general meeting of shareholders agreed to change the company's name from Focus Engineering and Construction Public Co., Ltd. to Focus Development and Construction Public Co., Ltd. by registering the change of the company's name with the Ministry of Commerce on November 19th, 2008.

The major changes and development within the five-year period of the company can be concluded as the following;

2009 April: The extraordinary general meeting of shareholders agreed and approved to take the exceeded value of the stocks' price to cover the existing loss with the amount of 31,145,372 THB., and the remaining loss was 52,973,155 THB on April 23rd 2009.

May: The meeting of board of directors on May 29th, 2009 agreed to set the offer for sale and the right offering warrant date for the existing stockholders and the ESOP warrant date for directors and employees as the detail listed below;

1. Right Offering Warrant for the existing stockholders:

- Offer for sale date 16th June 2009
- Initial right exercising date 31st July 2009
- Final right exercising date 15th June 2014

2. ESOP Warrant for directors and employees:-

- Offer for sale date 16th June 2009.
- Initial right exercising date 31st July 2010.
- Final right exercising date 15th June 2014.

June: The company provided the right offering warrant for the existing stockholders with the total of 62,499,638 units, and the remaining of them was 362 units. However, the company will process cancellation for those remaining units and provide the ESOP warrant for directors and employees with the total of 12,500,000 units.

July: On 3rd July 2009 B.E., the company's right offering warrants with the total of 62,499,638 units were approved by the Securities and Exchange Commission to begin trading in MAI Stock Market of the Securities Exchange of Thailand.

August: The company signed a construction contract with Bangkok Mass Transit System Public Company Limited to construct the station building in the area of Bangkok Metropolitan Region: Red Line Project covered from Bang Sue district to Taling Chan district in cooperated with Unique Engineering and Construction Public Co., Ltd. with the value of 482.36 million THB.

October:

- 12 October 2009, the extraordinary general meeting of shareholders 1/2009 agreed to make a change on the common stock's offer for sale for the specific persons (PP) with the total of 200,000,000 stocks from 3 THB per stock to the price which is greater than 2 THB per stock.
- The extraordinary general meeting of shareholders agreed to change the rule and regulation of the company in Section 5 Number 14 from "the company has the right to gather the board of directors no less than 5 people but no more than 11 people" to "the company has the right to gather the board of directors no less than 5 people but no more than 12 people", including the agreement on positioning the two new directors which are Mr. Tanakorn Leelasiri and Mr. Tanavich Jindapradis. Also, the company registered the added directors with the Ministry of Commerce on 26th October 2009.

December: The company was approved by the ISO 9001: 2008 from United Registrar of System (Thailand) Co., Ltd. (URS).

In 2009, the company recorded the additional agreement from 7th to 26th time of the Private Residence Bangkok with the value of 42.63 million THB.

2010 January: The company signed a construction contract with Department of Rural Roads under the project of building a bridge across Klong Luang canal at Meuang district, Samutsakhon with the value of 55.70 million THB.

May: The company worked on the 14-storey condominium project in cooperated with Wilailuck Development Co., Ltd. with the value of 49.37 million THB.

July: The company signed a design contract and constructed the apartment for the athletes at National Tennis Development Center with the value of 20 million THB.

September: The company obtained the contract of swimming pool construction under the Rayong Marriott Resort & Spa project in cooperated with Puphatara Co., Ltd. with the value of 36.38 million THB.

October:

- The company signed a construction contract of building the rice godown and building component in cooperated with Pathum Rice Mill and Granary Public Co., Ltd. with the value of 34.24 million THB.
- The company held the grand opening for the first project of the real estate under the name of "Focus on Saladaeng Condominium" at Dusitthani Hotel.

In 2010, the company recorded the added agreement in term of the Private Residence Bangkok with the value of 17.12 million THB.

2011 February: The company signed a construction contract of the 8-storey residential building and 2-storey basement under the Collezio (Sathorn-Pipat) project with the value of 84 million THB. On July, the company also signed a construction contract of the architecture project with the value of 49.80 million THB. Therefore, the total value turned out as 133.80 million THB in cooperated with Major Development Public Co., Ltd.

May: The company signed a construction contract of the structure and the system project at Thaksina Business Administration School in cooperated with M.P. Education Co., Ltd. with the value of 202.10 million THB.

August: The company signed a construction contract of structure and architecture project under the Equinox (Phahol-Vibha) project, which is 42-storey residential building in cooperated with Major Development Public Co., Ltd. with the value of 578 million THB.

December: The company agreed to sign the agreement to buy of Sukhumvit Soi 2 land, Khlongtun, Prakanhong district, Bangkok as of the total area of 345 square wah with the value of 180 million THB for the future development of the real estate business.

2012 March: The company signed a construction contract of the structure, architecture, and engineering system project for the 8-storey residential building and one basement under the project “The Nest” in cooperated with The Nest Property Co., Ltd. with the value of 103,50 million THB.

June:

- The company signed a construction contract of the structure, architecture, and sanitary system project for the food and beverage production plant, Nakhonpathom in cooperated with General Beverage Co., Ltd. with the value of 125 million THB.
- The company signed a construction contract of the structure, architecture, and electrical, water supply, and air-conditioning system project for Kanyarat Lakeview Condominium which is 14-storey building, Khonkan in cooperated with Kanyarat Property Co., Ltd. with the value of 302.50 million THB.
- The company signed a construction contract of the structure, architecture, and electrical, water supply, and sanitary system, and road project for the car showroom, repair and maintenance building which is located in Rama II Rd., Bangkok in cooperated with Siam Nissan Rod Dee Rama II Co., Ltd. with the value of 51.36 million THB.

October: Both directors and employees brought the right offering warrant to be using in buying the common stock with the total of 579,000 stocks with is valued 3 THB per stock the Ministry of Commerce on 7th November 2012. Such capital stocks started to be trading in MAI Stock Market of the Securities Exchange of Thailand on 12th November 2012.

December: The company signed a construction contract of the structure, architecture, and engineering system project for the W District Trunc C, Prakanhong in cooperated with Centerland Co., Ltd. with the value of 83.50 million THB.

2013. January:

- The company signed a construction contract of the structure, architecture, and building components system project for the H2O Condominium, Pakchong district, Nakhonratchasima in cooperated with Puphatara Kaoyai Co., Ltd. with the value of 136 million THB.
- Both directors and employees brought the right offering warrant to buy altogether of 192,000 common stocks with 3 THB per stock. Also, the company registered for the increasing capital from 125,579,000 THB to 125,771,000 THB with the Ministry of Commerce on 6th February 2013. Such capital stocks started to be trading in MAI Stock Market of the Securities Exchange of Thailand on 8th February 2013.

February: The company signed a construction contract of the mill and silo (Package 1) under the Rice Complex project, Thukfah, Chaiyo district, Ang Thong in cooperated with Siam Par Boilrice Co., Ltd. with the value of 97.50 million THB.

April: Both directors and employees brought the right offering warrant to be using in buying the common stock with the total of 949,000 stocks which is valued 3 THB per stocks. Also, the company registered for the increasing capital from 125,771,000 THB to 126,720,000 THB with the Ministry of Commerce on 8th May 2013. Such capital stocks started to be trading in MAI Stock Market of the Securities Exchange of Thailand on 13th May 2013.

May:

- The company signed a construction contract of the multi-residential building, Sucre Khaoyai Building A and B, Pakchong, Nakhonratchasima in cooperated with Sucre Asset Co., Ltd. with the value of 173.91 million THB.
- The company signed a construction contract of the mill and silo (Package 2) under the Rice Complex project, Lhuckfah, Siyo district, Ang Thong in cooperated with Siam Par Boilrice Co., Ltd. with the value of 87.28 million THB.

June: The company signed a construction contract of the structure, architecture, and building components system project for 3-storey office building on Ploenchit Rd., Bangkok in cooperated with Proud Group Holding Co., Ltd. with the value of 36.95 million THB.

July: The company signed a construction contract of the Villa Work Phase No.3 for four units and this is under the Phupatara project, Khaoyai, Nakhonratchasima in cooperated with Phupatara Khaoyai Co., Ltd. with the value of 18.28 million THB.

August: The company signed a construction contract of the structure, architecture, and building components system project for ten houses under the V Huahin project, Huahin district, Prachuap Khiri Khan in cooperated with V Huahin Co., Ltd. with the value of 42.36 million THB.

November: The company signed a construction contract of the structure and sanitary system for 6-storey hotel building called “Splendid Resort Hotel”, Pakchong district, Nakhonratchasima in cooperated with On-nuch Construction Co., Ltd. with the value of 33.50 million THB.

3.2 The Company’s Overview Business Performance

The company itself is considered a medium construction company operating the general construction projects, including both private and public sectors’ projects. The projects that the company has been constructing will be classified as a variety of business types, for example, factory, office building, residential building, condominium, hotel, school, hospital, basic public utility, etc. However, the company normally focuses on the qualified and credible customers or the ones who have a good financial condition. Those projects that the company has been working on will be both main contractor and subcontractor. Furthermore, the company itself also cooperates with other specialty contractors in order to compete in term of the project cost in the market or to be working in a form of joint venture or consortium. To construct the high value projects in the market, the company has the track record to allow the company to have more potential to get those high value projects.

In 2013, the company began to construct the residential building which has 8-storey and a basement under the project called “Focus Ploenchit”, which is located in Sukhumvit Soi 2, Bangkok. This project the second project after the previous one called “Focus on Saladaeng”, and the company plans that the project will be completely finished in the first quarter of 2015.

3.3 Revenue Structure of the Company

The revenue structure of the company for the year 2011 to the year 2013.

Table 2 Revenue Structure

Business Group/ Product line	2013 year		2012 year		2011 year	
	Revenue (Million Baht)	%	Revenue (Million Baht)	%	Revenue (Million Baht)	%
1. Revenues from construction	1,077.85	97.21	894.49	80.88	548.15	90.92
2. Revenue from real Estate development	22.90	2.06	207.10	18.72	49.41	8.19
3. Other incomes	8.08	0.73	4.39	0.40	5.36	0.89
Total	1,108.83	100.00	1,105.98	100.00	602.92	100.00

3.4 Business Goal

The company supports all public sector's, private sector's, and state enterprises' projects by considering those customers who are qualified and credible or have a good financial condition. The company accepts to work on many kinds of businesses such as condominium, factory, office building, hotel, education institution, car showroom, repair and maintenance building, department store, and silo.

In order to expand the company's revenue and not to rely on the single contracting, the company decided to expand the product line to be in a form of real estate development business.

However, the company pursues the professionalism in this field of business and consistently develop the real estate business to reduce the risk and avoid the revenue alteration from operating only the construction business.

1. Business Sector Risks

1.1 Risk from Economic Fluctuation and Political Risk

The construction industry's growth rate has indicated a trend toward a slower growth since late 2013. It is confronted with several risk factors. The political uncertainty has affected the country's economic directions whether they are in terms of trade and investment or policy planning that call for investment in the development of the country's basic infrastructure. The consequences of these uncertainties have had adverse impact on the construction industry as a whole. Furthermore, monitoring the world's economic recovery is also needed since its sustainability shall affect future foreign direct investment.

The construction industry's growth in 2014 is expected to slow down from recently higher growths. Normally, construction industry's growth is partially boasted by spending from the government sector. The present political situation also has adverse impacted on consumers' spending, which has subsequently and negatively impacted on private sector's investment sentiment.

After the government has announced the dissolution of parliament, it has subsequently held new election in 2014. The house dissolution has in effect delayed new investment decisions. Furthermore, a drafted royal decree, which would have granted authority to the Ministry of Finance to seek fundings for large-scale transportation projects, was also scrapped and is awaiting the investment policy from a new government. Although the investment in the country's basic infrastructure development was unavoidably delayed, the government investment in some large-scale investment projects would continue in 2014, for examples, the various mass rapid transit authorities' color lines such as the purple line between Bangyai and Bangsue, the green line between Baring and Samutprakarn, all of which shall continue from previous year. In addition, there shall be annual government spending on basic infrastructure development continuously under the fiscal budget of 2014, which shall in effect help drive the government sector spending on construction. Additional transportation lines such as the purple line from Taopoon to Ratburana, which has a budget of 52,972 million baht and the green line from Morchit to Sapanmai to Lumlukka, which has a budget of 107,000 million baht, are scheduled to be up for tender in 2014.

However, the house dissolution shall cause delay on fiscal budget disbursement and on approval of new projects spending. Under normal circumstances, disbursement of investment spending would peak during the 2nd and 3rd quarters of each year. Hence, if the political impasses are to continue, it would certainly affect the government construction projects.

As for the private sector investment direction, it is expected that its overall growth shall slow down in 2014, particularly on the residential developmental sector since many investments had been made in the prior year 2013 - other factors that would have suppressed investment decisions are the weak economy and low consumers' confidence resulting from present political situations.

However, investment activities in commercial property development are expected to continue by large private companies such as the retail business group and the trading of construction material business group. These groups shall expand into up-country provinces where urbanization are foreseeable, and in anticipation of these provinces becoming regional strategic centers of the planned Asian Economic Community "AEC", and expand into provinces that are tourist centers with visibly construction activities.

The Company's business operation plan takes into consideration these general uncertainties and in particularly the political uncertainty, which would affect government investment spending. And since consumers' spending are slowing down due to the weak economy, the company shall sign up contracts which are distributed across several sectors such as residential, community mall, factory, office buildings, hotels and resorts, for examples.

1.2 Risk from Competition

Since 2013, political factor has had tremendous effect on the country economy in general and on the construction industry in particular. If there is political stability and that the government was to continue with its mega-projects investment, the private sector would have its' works increase. In contrast, if the political situation has no viable outcomes and that violence break-out, then the planned government investment would be delayed. Large contractors who normally compete on government contracts would then switch to compete for private sector's works, resulting in even higher competition among private sector's contractors. Private sector works not only compete on pricing but also on contractors' reputation along with their pricings.

Furthermore, since there are many contractors, which make competition in this industry very high, the continuation of revenue earning on a consistent basis becomes a risk. Also, when a contractor acquires new construction contract, there are various construction factors which must be properly managed in order to avoid undesirable outcomes and not being able to fulfill the contract obligations. The Company has established policy and guidelines to reduce these risks by assigning certain department section to seek new construction contracts, tender and negotiate for new works, which would enable the Company to have steady stream of revenue and to closely monitor costs of construction according planned.

1.3 Risk from Real Estate Sector

The overall real estate sector in 2013 witnessed labor costs and construction material costs increased. Large or small developers were negatively affected. Toward the end of the year, the sector confronted with the political problem. As for 2014, factors that would affect the real estate sector would be labor shortage and the changing of alliances by project managers within the industry, which was bought about by the government investment on the nation's basic transportation infrastructures, which effectively requires a very large numbers of contractors and labors. Costs of construction, particularly, ready-mixed concrete is expected to increase as a result by 5%-10%.

However, if no violence break-out as far as the political situation is concerned and that any differences could soon be settled, consumers' confidence then could subsequently be restored. This improved in sentiment could drive real estate sector's growth by 10% since there continue to exist very high demands for residential developments. But because of the political unrest, which have had a psychological effect on consumers' confidence, consumers tend to slow down on purchasing high ticket items and become more cautious and selective in making decisions, especially in terms of location and pricing.

Risks from Real Estate Sector which directly affect business operation of the Company are as follows:

1. Risk from Acquiring Land for Development:

The Company shall choose land with development potential. The land shall be reasonably priced and suitable for residential building development. Preferably, the land shall be situated within Bangkok Metropolis and located along the BTS sky-train line and the underground electric commuter train line. The Company will have the risk of not being able to find suitable pieces of land for development on a continuous basis. The Company has reduced this risk by using various networks in search of lands with development potential.

2. Risks from Changing Applicable Real Estate's Laws or Regulations:

The Company operation in residential development abides by the relevant and prevailing laws and regulations. Hence, there are risks associated with these laws and regulations being changes and modify in the future, for examples, zoning restriction that prevent certain types of building, height restriction, setback requirement, dispute on land demarcation with neighboring landowners, complaint filings during construction or problems arisen from the changing of relevant laws and regulations, which come into effects after the Company had gained possession of a certain piece of land and is in the process of requesting for permissions from relevant governmental agencies. The Company reduces these risks by undertaking extensive research, examining relevant laws and regulations, and conducting proper feasibility study prior to acquiring land for development.

3. Risk from Failing to Achieve Condominium Units Sales Target:

For each residential condominium development, the Company makes decision on the units' sizes and total number of units to develop in order to meet targeted customers' demands. These decisions are based on consultation with sales and marketing teams that closely monitor the prevailing market's conditions. However, if the prevailing economic condition is unfavorable, the Company has the risks of not being able to achieve projected sales target and reach break-even, which can subsequently impacted negatively on the Company's financial position. The Company reduces the risk of having condominium units unsold by applying marketing strategy and sales promotion that specifically aim at reaching targeted customers and controlling expenses efficiently.

2. Management and Operational Risk

2.1 Risk from Acquiring New Works and Fulfilling Contractual Obligation

The Company derives most of its revenues from construction business. The Company operates as a contractor for both the public and private sectors, either in the form of a main contractor or a sub-contractor. Its work volume or quantities of works shall depend on the prevailing economic condition, level of competition, and pricing for examples. To forecast its future works volumes - whether it shall be able to acquire new works and when will that be achievable, involve some degrees of unpredictability since the process of contractor selection and acquiring new works are time-consuming and involved complicated procedures. As a result, the Company's operational performances shall vary in accordance with the timing of acquiring new contracts, contract value, work duration, construction method, and other factors such as construction area handover by the project owner and the extend of design modification. The Company has reduced these risks by assigning particular department section to oversee the acquisition of new contracts, and establishing a construction committee to be responsible for planning, making decision, and problem-solving throughout the term of a construction contract.

2.2 Risk from Changing of Construction Materials Prices

Construction materials prices are expected to moderately increase by 5%-10% in 2014. Last year, large suppliers of construction materials had already announced price increases, for examples, concrete has increased by 5%, lightweight bricks have increased by 10% because of their higher demand and their substitute qualification for normal clay bricks. The increases of construction materials shall have direct impacted on costs of construction. The Company closely monitors these prices fluctuation and has preventive measures in place to reduce these risks by acquiring construction materials in large quantities, purchasing them by cash in order to gain favorable discounted prices, placing deposits for advance order and prices fixing, for examples. The Company also appropriately takes into account material prices fluctuation in its new contract tendering process. Furthermore, it has its purchasing department seeks for reputable suppliers who provide favorable credit terms on a continual basis.

2.3 Risk from Labor Shortage.

The government has announced nation-wide daily minimum wage increase to 300 baht effective 1 January 2013. This new minimum wage is to be maintained for 2 consecutive years from 2014 to 2015. The minimum wage increase does not take into consideration the age of the labor or type of industry involved. As a result, labors change their workplaces to industry where higher wages are being offered, effectively creating shortage in certain industries particularly shortage of skillful labors. However, the Company has reduced this risk by employing higher proportion of subcontractors in sufficient numbers relative to the amount of works obtained. It has made plan to increase local labors and legalized foreign labors and develop their skills to be more efficiently. It has altered and adjusted construction plan and construction method, and employed suitable machines and equipments as well new construction techniques in order to streamline construction works and save on costs of labors. As for new construction contract, the Company has factored-in the new labor wages.

2.4 Risk from Relying on Engineers.

Construction business is the type of business that rely heavily on the competency, knowledge, and capability of its personnel, particularly, those personnel at the level of project director, project manager, and project engineer, who must also be competent in controlling and managing each construction project in order to achieve successful results. Lack of competent personnel shall have negative impacted on the ability of the Company to obtain new contracts and its future operational performances. The Company maintains proper personnel policy and has measures to adequately provide appropriate remuneration and proper training to retain competent personnel to be with the Company as long as possible.

3. Financial Risk.

3.1 Risk from Unpaid Construction Works.

The Company has risk from being unable to collect on construction works done if the project owners have financial difficulties, lack of liquidity, or are dissatisfied with the construction works. The Company is aware of this risk. Hence, it considers taking construction contracts from good reputable, reliable, or sound financial standings customers.

3.2 Risk from Lack of Working Capital.

Construction and property development companies must have sufficient working capitals for their business operations in order to acquire construction materials and pay for labor wages. The Company employs working capitals from internal source of funds and from financial institutions. Moreover, the Company negotiates with project owners for advance payment monies in the range of 5% to 15% of each contract value and asks for proper credit term. It also closely monitors its collection in order to minimize lack of liquidity.

4. Investor Risk

The Company has risk from not being able to pay dividend. As of 31 December 2013, the Company has loss from operation in the amount of 20.71 million baht. Its retained loss is 22.46 million baht. Hence, by law, it shall not be able to payout dividend to its shareholders. Shareholders, therefore, has risks of not receiving dividends payout as set forth on the Company's dividend payment policy.

Structure of Capital

Registered Capital

The company has the registered capital of 400 million baht, dividing into 400 million ordinary shares with the par value of 1 baht. And the paid-up capital is 126,720,000 million baht, dividing into 126,720,000 million baht ordinary shares with the par value of 1.00 baht per share.

Shareholders

List of the first 10 major shareholders as of April 26, 2013

No.	List of Shareholders	Number of Shares	% of Shareholding
1	Mrs. Naparat Sihanatkathakul	43,385,800	34.496
2	Mr. Banratbusun Kratra	6,552,100	5.210
3	Thai NVDR Co., Ltd.	4,313,500	3.430
4	Mr. Kun Chinnangculpiwat	1,600,000	1.272
5	Mr. Pattharanut Yannakornthanaphan	1,552,400	1.234
6	Mr. Nuttapat Rangsan	1,400,000	1.113
7	Mr. Permsak Meekusol	1,265,000	1.005
8	Mr. Srisak Suapakdee	1,100,000	0.875
9	Mr. Paisit Tunchinda	1,049,000	0.834
10	Mr. Vichien Srimunin-nimit	1,020,000	0.811
Total		63,238,100	50.280

Major shareholder who has significant influence on determining company policy or the operation of business

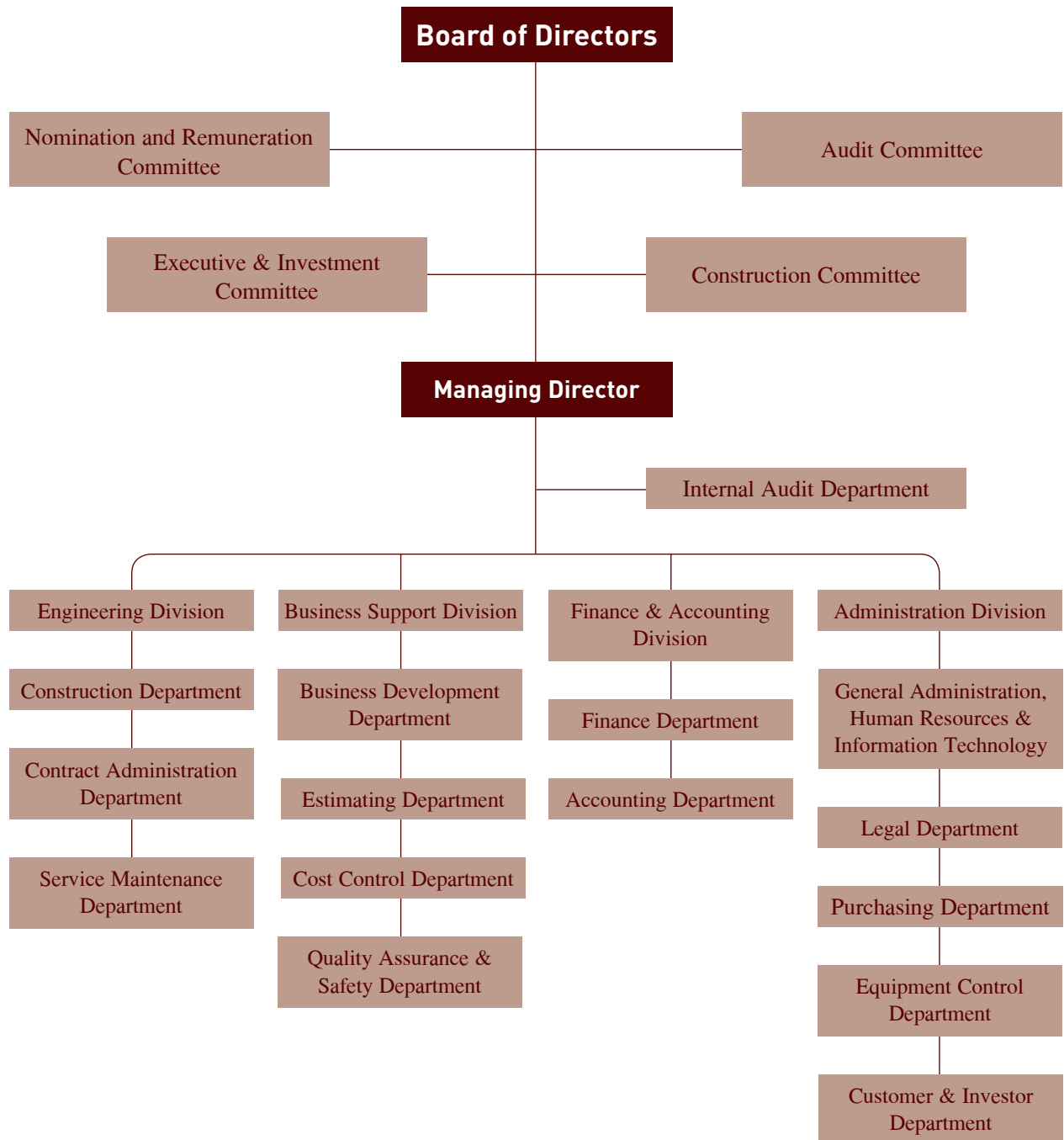
Mrs. Naparat Sihanatkathakul is the major shareholder of the company but she does not participate in the management. Her relationship is a sister of Mr. Anucha Sihanatkathakul who participates in the management.

Dividend payment policy

The company has the policy to pay dividend at minimum 40% of the net profit and the payment must be approved at the shareholders' meeting with the exception of the necessary for the fund with the purpose of the business expansion.

However, at the end of year 2013, the company had total accumulated loss of 22.46 million baht, therefore, the dividend cannot be paid to the shareholders according to the law.

Organization Chart



Director Structure of the Company

Director Structure of the Company comprises of 5 boards namely Board of Directors, Audit Committee, Nomination and Remuneration Committee, Construction Committee, and Executive & Investment Committee and, Construction Committee detailed as follow;

Board of Directors

Board of Directors of the Company as of December 31st, 2013 comprises of 11 members and Board Meeting attendances are summarized on below;

	Name - Surname		Position	Attendance (times)
1.	Mr. Anucha	Sihanatkathakul	Chairman of the Board	4/4
2.	Mr. Jeremy	Lechemere King	Vice Chairman	3/4
3.	Mr. Phasunsook	Ayanaputra	Director and Chairman of Audit Committee	4/4
4.	Pol MajGen.Sunthorn	Boonruang	Director and Audit Director	4/4
5.	Mr. Thomas C.	Thompson	Director and Audit Director	4/4
6.	Mr. Michael de	Santiesteban	Director	1/4
7.	Mr. Patrick M.	Davenport	Director	3/4
8.	Mr. Pornsanong	Tuchinda	Director	0/4
9.	Lt.Gen. Thavalya	Prapapant	Director	4/4
10.	Mr.Tanakorn	Leelasiri	Director	4/4
11.	Mr. Nontawat	Thongmee	Director and Managing Director	4/4

Secretary of the Board of Directors: The Company appointed Mr. Chalernmpat Hongprasertkul as the Company's Secretary due to his appropriate qualifications, experiences, and have undertaken the secretary training program organized by the Thai Listed Companies Association. The Secretary of the Board of Directors has duties and responsibilities in four areas, as follows:

1. Meetings, such as organize meetings for the Board of Directors and Shareholders, preparing for meetings, meeting agendas, meeting in vitations, related documentation, annual reports, and minutes of meetings as well as ensuring that the Company's operation is carried out in accordance with the resolutions of the Shareholders, such as the registration of the change of registration with the Ministry of Commerce.
2. Registration, all document filing such as the registrations of Directors, report all of the company's interest by Company's Board of Directors and Management, meeting documents, and reports for meetings of the Board of Directors and Shareholders.
3. To provide advice for the Board of Directors to operate, in according with all relevant rules, law and regurations, as well as to principles of good corporate governance.
4. To contact and coordinate with external parties, and acting as the contact person with the Securities and Exchange Commission Thailand and the Stock Exchange of Thailand, as well as to provide information for them in accordance

with all related law and regulations. Moreover, the Secretary shall coordinate the receiving of comments and suggestions and from Shareholders or other Stakeholders such as customers, submitted to the Board of Directors and Management for consideration.

Notes:

- Directors, who were authorized to perform on behalf of the company, were Mr. Anucha Sihanatkathakul, Mr. Nontawat Thongmee, Mr. Jeremy Lechemere King. Any two of three may sign together with the company's seal affixed.
- There were 3 directors who retired by rotation as follows;
 1. Mr. Michael de Santiesteban
 2. Mr. Patrick M. Davenport
 3. Mr. Tanakorn Leelasiri

Resolution of Annual General Meeting of Shareholders for year 2013 on 26 April 2013 approved the re-election of 3 directors retiring by rotation as directors for another term.

Roles and Responsibilities of Board of Directors

1. Director must perform the duties in accordance with laws, objectives, and regulations of the company, including resolutions of Shareholders' Meetings.
2. Director must not be one of the shareholders in partnerships or one of the Boards members of private companies, which conduct similar business and compete with the company except that director has informed in Shareholders' Meeting before appointment.
3. Director must inform the company immediately in case that director has any interests in the contract done with the company or in case that director holds increasing or decreasing number of shares or debentures of the Company or subsidiaries.
4. Board of Directors has power to delegate the authorities to or appoint certain number of directors to be directors in certain committee in order to perform one or more duties. However, Board of Directors may empower authorized directors to act on behalf of the company to perform any duties for the company except the following duties which could be done after the approval from Shareholders' Meeting.
 - (1) Anything that could be done after the approval from Shareholders' Meeting according to laws.
 - (2) Transactions that director has conflict of interest and those are in the scope of laws or regulations of Securities and Exchange Commission that requires the approval from Shareholders' Meeting.

Except for the following cases that must be approved from the Board's Meeting and Shareholders Meeting with the votes no less than three out of four of total voting rights of shareholders attended the meeting, namely, increase of capital, decrease of capital, issuance of debentures, sale or transfer of parts or all of businesses of the company to other persons, purchase or receipt of businesses of other companies to be parts of the company, and amendment of memorandum of association or article of association of the company, etc.

However, for transactions that director or any person has conflict, interest, or conflict of interest with the company, such director does not have any authority to approve the undertaking of such transactions.

Audit Committee

Audit Committee as of December 31st, 2013 comprises of 3 members and Audit Committee Meeting attendances in 2013 are summarized on below;

Name - Surname			Position	Attendance (times)
1.	Mr.Phasunsook	Ayanaputra	Chairman of Audit Director	4/4
2.	Mr.Pornsanong	Tuchinda	Audit Director	2/4
3.	Pol MajGen.Sunthorn	Boonruan	Audit Director	2/4

Remark: Mr.Phasunsook Ayanaputra, Chairman of Audit Director in place of Mr. Michael de Santiesteban and Pol MajGen.Sunthorn Boonruan, Audit of Director in place of Mr. Michael de Santiesteban approved meeting no. 2/2013 on 14 May 2013.

Term of Audit Committee

Term of Audit committee is 2 years, from 1 March 2012 to 30 April 2014, and must hold meeting of least 4 times a year.

Roles and Responsibilities of Audit Committee

1. To review that the Company has accurate and adequate financial reporting.
2. To review that the Company has suitable and efficient internal control system and internal audit system.
3. To determine independence of an internal audit office including agreement of appointment, transfer and dismissal of the chief of the internal audit office or any other unit in charge of internal audit.
4. To review that the Company comply with laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business.
5. To consider, select and nominate independent persons to be the Company's auditor, and propose such person's fees, as well as to attend a non-management meeting with the auditor at least once a year.
6. To consider that connected transactions or transactions that may have conflicts of interests are complied with the laws and the regulations of the Stock Exchange of Thailand in order to ensure that they are reasonable and for the best benefit of the Company.
7. To prepare the Audit Committee's Report and have it disclosed in the Company's Annual Report, to which must be signed by the Audit Committee's Chairperson and consist of at least the following information;
 - a. An opinion on the accuracy, completeness and reliability of the Company's financial report.
 - b. An opinion on the adequacy of the Company's internal control system.
 - c. An opinion on compliance with the laws concerning securities and exchange, the regulations of the Stock Exchange of Thailand, or other laws related to the Company's business.
 - d. An opinion on the suitability of the auditor.
 - e. An opinion on transactions that may have conflicts of interests.
 - f. The amount of time of the Audit Committee meetings, and its attendance record of each committee member.
 - g. An opinion or overview comment that the Audit Committee perceived from its performance under the charter.
 - h. Other transactions that the shareholders and general investors should know under its scope of duties and responsibilities assigned by the Board of Directors.

8. In carrying out the Audit Committee's duties, if it found or has any suspects that there are transactions or the following doings which may have a considerable impact on the Company's financial status and performance; it should report them to the Board of Directors in order to correct them within a suitable time frame set by the Audit Committee;
 - a. Transactions causing conflicts of interests.
 - b. Fraud or irregularity or have key mistakes in the internal control system
 - c. Breach of laws concerning securities and exchange, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business If the Board of Directors or its executives failed to arrange to have them corrected within due course, any member of the Audit Committee may report such transactions or doings to the Securities and Exchange Commission or the Stock Exchange of Thailand.
9. To support and follow up that the Company has effective risk management system.
10. To improve the Charter of the Audit Committee and present it to the Board of Directors for approvals.
11. To perform any other matters as assigned by the Board of Directors with the Audit Committee's agreement under the Company's Articles of Association and laws

Independent Directors

The company currently has 11 directors of which 7 qualified as independent director which comply with the standard of the company and the Stock Exchange of Thailand. The number of independent directors is not less than one-third (1/3) of total directors Details as follows;

	Name	Surname
1.	Mr.Michael de	Santiesteban
2.	Mr.Phasunsook	Ayanaputra
3.	Mr.Pornsanong	Tuchinda
4.	Pol.Maj.Gen Sunthorn	Bungruang
5.	Lt.Gen. Thavalya	Prapapant
6.	Mr.Thomas C.	Thompson
7.	Mr. Patrick M.	Davenport

Qualification of Independent Director

The definition of independent director of the Company according to the notification of the Stock Exchange of Thailand regarding Qualifications and Scope of Work of the Audit Committee (No.1), 1999. An independent director and / or a member of the Audit Committee of the Company shall possess the qualification as follows;

- (a) Not hold shares in excess of one percent of the total number of voting shares of the Company or the Company's parent company, subsidiary, associated company, major shareholder, or any person having controlling power over the Company, whilst the number of shares held by any related person of such an independent director must also be counted.

- (b) Not be and have not been a director participating in management role of the Company, or an employee or an officer of the Company, or an advisor of the Company which receives regular salary from the Company, and not be and have not been a person having controlling power over the Company or the Company's parent company, subsidiary, or associated company, or a subsidiary of another company in the same level of the Company, unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC, provided always that such restriction or prohibition shall not apply to an independent director who has been a governmental officer or an advisor of a government authority, which is the major shareholder of the Company or the person having controlling power over the Company.
- (c) Not be a person having relationship either through blood or lineage or legal registration as a father, mother, spouse, sibling or child, including as a spouse of a child of any management person or major shareholder of the Company or the Company's subsidiary, or of any person having power to control the Company or the Company's subsidiary, or of the person being nominated to be a management person of or a person having power to control the Company or the Company's subsidiary.
- (d) Not have and have not had any business relationship with the Company or the Company's parent company, subsidiary, associated company, or major shareholder, or with the person having power to control the Company that may have conflict of interest, in the manner in which his/her independent discretion might be affected, and not be and have not been a substantial shareholder of or a person having power to control the person that has business relationship with the Company, or the Company's parent company, subsidiary, associated company, or major shareholder, or the person having power to control the Company unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC.

Business relationship referred to in the first paragraph above shall mean to include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or service, any financial support or acceptance of financial support by way of either borrowing, lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the applicant or the party thereto in an amount of three percent or more of the net tangible asset value of the applicant or twenty million baht or more, whichever is lesser. In light of this, the method for calculation of the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied *mutatis mutandis* for the purpose of calculation of such amount of debt of the applicant, provided that the amount of debt incurred during the past one year prior to the date on which such a business relationship with such person exists.

- (e) Not be and have not been an auditor of the Company or the Company's parent company, subsidiary, associated company, or major shareholder, or of any of the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any auditing firm or office in which the auditor of the Company, or the Company's parent company, subsidiary, or major shareholder, or the person having power to control the Company is working, unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC.

- (f) Not be and have not been a professional advisor, including legal or financial advisor who obtains fee more than two million baht a year from the Company or the Company's parent company, subsidiary, associated company, or major shareholder, or from the person having power to control the Company, and not be and have not been a substantial shareholder of, a person having power to control over, or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for at least two years prior to the date on which the application for being an independent director is filed with the SEC.
- (g) Not is a director appointed as a representative of a director of the Company, a representative of a major shareholder of the Company, or a representative of a shareholder of the Company which is a related person of the major shareholder of the Company.
- (h) Not have any characteristics by which his/her independent comment or opinion on the Company's operation may be affected. If a person having qualifications stated in (a) to (g) above is appointed as an independent director of the Company, such appointed independent director may be assigned by the Company's Board of Directors to make decision in respect of business operation of the Company, or the Company's parent company, subsidiary or associated company, or a of subsidiary another company in the same level of the Company, the major shareholder of the Company, or the person having controlling power over the Company, provided that such decision making by such appointed independent director must always be made on a collective decision basis.

Nomination and Remuneration Committee

Nomination and Remuneration Committee as of December 31st, 2013 comprises of 3 members as follow;

Name - Surname		Position	Attendance (times)
1. Mr. Phasunsook	Ayanaputra	Chairman of the Nomination and Remuneration Committee	1/1
2. Mr. Pornsanong	Tuchinda	Nomination and Remuneration Director	1/1
3. Pol.Maj.Gen Sunthorn	Bungruang	Nomination and Remuneration Director	0/1

Remark: Pol.Maj.Gen Sunthorn Bungruang, Nomination and Remuneration Director in place of Mr.Michael de Santiesteban approved meeting no. 2/2013 on 14 May 2013.

Qualifications and Constituents of Nomination and Remuneration Committees

- The members of Nomination and Remuneration Committees shall be the company's directors who have been appointed by the Company Committees.
- The number of Nomination and Remuneration Committees shall consist of at least 3 people and consist of no less than half of its total members who are qualified as independent committees, in which the Chairman of Nomination and Remuneration Committees shall also be the independent committee.
- The Nomination and Remuneration Committees shall be qualified as Non-Executive Directors in order to prevent the conflict of interest and devote themselves for the duty of Nomination and Remuneration committees.
- The Nomination and Remuneration Committees shall nominate any member of Nomination and Remuneration Committees or any employee to be the secretary of Nomination and Remuneration Committees.

Term of Nomination and Remuneration Committee

Term of Nomination and Remuneration Committee is 3 years, the term commencing from May 9th, 2011 to May 9th, 2014.

Scope of Authority and Responsibilities of Nomination and Remuneration Committees

1. Providing the guideline and reviewing any method of remuneration payment, including the annual bonus and the meeting allowance, whether it is monetary or not, any fringe benefits provided to any committee, managing director, chief executive officer and any sets of subcommittees appointed by the Board of Committees and offering it to the Board of Committees for consideration.
2. Determining the criteria for assessing the performance of the Chairman, managing director for purpose of setting their remuneration before offering to the Board of Committees for annual consideration.
3. Considering any conditions if there are any securities (or share subscription warrant) offered to any committee and officer, including considering the appropriateness and giving the resolution if any committee or officer is allocated the securities more than 5% of total allocated securities, provided no any member of the Nomination and Remuneration Committees shall be allocated the securities more than 5% and then they are entitled to pass any resolution.
4. Reporting any progress and performance to the Board of Committees all the times after holding the Nomination and Remuneration Committees' meeting and reporting the performance of the last year to the shareholders through the Company's annual report and the annual ordinary shareholder meeting.
5. Reviewing the Charter of the Nomination and Remuneration Committees and offering it to the Board of Committees for the approval for purpose of proper adjustment and update.
6. Performing of any other duties assigned by the Board of Committees;

According to the duty performance under the scope of their power and authority, the Nomination and Remuneration Committees are able to invite the Management Division, heads of any working units or relevant officers to give their opinion, related and necessary information in the meeting. Besides, for performing the duties under the scope of their power and authority specified herein, the Nomination and Remuneration Committees can ask for any advice from the independent consultants or other specialists if, in their opinion, it is necessary and proper to do so. However, the Company shall be responsible for all expenses.

7. Determining criteria and policy in nominating director of the Board and Director in other committee of company.
8. Considering appropriate person to propose to be member of Board of Directors and/ or propose to Shareholder to appointment.
9. Considering appropriate person to propose to be Executive Chairman Managing Director in case vacancy.

Executive & Investment Committee

Executive & Investment Committee as of December 31st, 2013 comprises of 5 members as follow;

	Name - Surname		Position
1.	Mr. Anucha	Sihanatkathakul	Chairman of the Executive & Investment
2.	Mr. Jeremy Lechemere	King	Vice Chairman of the Executive & Investment
3.	Mr. Nontawat	Thongmee	Executive & Investment Director
4.	Mr. Tanakorn	Leelasiri	Executive & Investment Director
5.	Mrs. Wilaiporn	Siripoorikan	Executive & Investment Director

Investment Committee's Responsibility

1. Set forth method and strategy on investment.
2. Consider and approve investment on instruments and securities of each type under the Investment Procedure required by company.
3. Consider and select the instruments and security that are invest able in accordance with the Investment Procedure required by company.
4. Consider acquisition and distribution of the invest able securities under the Investment Procedure required by company
5. Handle report on investment situation.
6. Handle other matters as assigned.

Scope of Investment Committee

1. Make an investment on short-term security or trading portfolio amounted not exceeding THB 25 million under amount limit of not exceeding THB 50 million.
2. Make an investment on long-term security or stock security amounted not exceeding THB 25 million or accounted for 5% of paid-up capital under amount limit of not exceeding THB 50 million.
3. Make an investment on large-scale and costly properties under make amount limit of not exceeding THB 50 million.

Construction Committee

Construction Committee as of December 31st, 2013 comprises of 4 members as follow;

	Name - Surname		Position
1.	Mr. Anucha	Sihanatkathakul	Chairman of the Construction
2.	Mr. Nontawat	Thongmee	Managing Director
3.	Mr. Tanakorn	Leelasiri	Assistant Managing Director of Administration Division
4.	Mrs. Wilaiporn	Siripoorikan	Assistant Managing Director of Financial and Accounting Division

Roles and Responsibilities of Construction Committee

Board of Directors delegated the authorities to Construction Committee as an authorized person, to work on behalf of the company within the scope and conditions as follow;

1. To operate and manage the company's operation in accordance with the objectives, rules, and resolutions undertaken at Shareholders Meeting and Management Committee Meeting in all cases.
2. To examine and authorize general operations of the company, for example, purchase of vehicles, sales of properties, and to approve of purchase of disposable office stationary, equipments with the value not exceeding THB 5 million.
3. To authorize the approval of project operations with the value not exceeding THB 700 million baht such as construction contracts including approval of projects, purchase of construction materials, and hire of sub-contractors not exceeding THB 20 million.
4. To set organization, management and Construction Committee structure to cover all details of selection, training, recruitment, and lay off of engineers and other employees of the company.
5. To prepare, propose, and recommend business directions and strategies of the company to Board of Directors for approval.
6. To set business plans and management authority, to approve annual budget and expenditure for business operation, to implement business plans and strategies in accordance with the policies and business directions approved by Board of Directors.
7. To undertake any duties as assigned by the Board of Directors at any certain time.
8. Executive Committee does not have authority to approve or to involve in or to undertake any businesses or transactions that the executive committee member or other persons may have any conflicts, interests, or conflicts of interests with the company.

Management Team

Management Team as of December 31st, 2013 comprises of 4 members as follow;

	Name - Surname		Position
1.	Mr. Anucha	Sihanatkathakul	Chairman of Executive Director
2.	Mr. Nontawat	Thongmee	Managing Director
3.	Mr. Tanakorn	Leelasiri	Assistant Managing Director of Administration Division
4.	Mrs. Wilaiporn	Siripoorikan	Assistant Managing Director of Financial and Accounting Division

Roles and Responsibilities of Managing Director

Managing Director has authority as manager to manage and control normal business operation of the company and has authority to approve normal transactions of the company. However, the approval of bidding of construction projects must be in accordance with scope of authority under authority table, which is approved by Board of Directors of the company. Besides, Managing Director also has authorities to perform any duties that are assigned by according to the company's structure. Managing Director is able to assign other persons who are considered appropriate to undertake necessary and appropriate management or operation duties for Managing Director according to judgment of Managing Director.

However, Managing Director or any persons authorized by Managing Director do not have authority to approve or to involve in or to undertake any businesses or transactions that Managing Director or other persons may have any conflicts, interests, or conflicts of interests with the company.

Director and Executive Nomination

The company have Nominating Committee use name is Nomination and Remuneration Committee to recruit any candidates for the posts of Directors of the Company. The company's Board Nomination and Remuneration Committee was in charge for considering candidates based on experience, knowledge, capability and qualification according to the law of Public Company Limited B.E. 2535 and notifications of Securities and Exchange Commission as well as other relevance regulation. The name list of director candidates was proposed by Shareholders Meeting. However, the company's Board was responsible for the operation of the company under control of Shareholders Meetings and regulations of the company. The selection and appointment criteria of the company are as follow;

1. One shareholder has voting right according to number of shares hold, as one share is eligible for one vote.
2. The selection of Director may vote of each individual director for one time or vote of more of directors for one time depending on the resolution of Shareholders Meeting at each time of vote. Each shareholder has the voting right of one person for one vote and transferring the vote to any person is not acceptable.
3. The appointment of Director is conducted by the majority votes. In case that there is an equal vote, the chairman of the meeting will make the final decision.

Remuneration for Directors and Executive

Monetary Remuneration

Remuneration for Company's Directors, Audit Committee and Remuneration Committee

The Company's committees consists of 11 members and the Company determines the monetary remuneration for its directors, audit committee and remuneration committee for 2013 as briefly mentioned below;

	Name-Surname	Position	Board of Director Meeting Fee	Audit Committee Meeting Fee	Remuneration committee Meeting Fee	Director Bonus
1.	Mr. Anucha Sihanatkathakul	Chairman of the Board	57,500	-	-	100,000
2.	Mr. Jeremy Lechemere King	Vice Chairman	34,000	-	-	100,000
3.	Mr. Michael de Santiesteban	Director	12,000	-	-	25,000
4.	Mr. Phasunsook Ayanaputra	Director and Chairman of Audit Director	46,000	52,000	15,000	100,000
5.	Mr. Pornsanong Tuchinda	Director and Audit Committee	-	22,000	12,000	-
6.	Pol Maj. Gen. Sunthorn Boonruang	Director and Audit Committee	46,000	24,000	-	100,000
7.	Lt. Gen. Thavalya Prapapant	Director	46,000	-	-	100,000
8.	Mr. Thomas C. Thompson	Director	46,000	-	-	100,000
9.	Mr. Patrick M. Davenport	Director	36,000	-	-	100,000
10.	Mr. Tanakorn Leelasiri	Director	46,000	-	-	100,000
11.	Mr. Nontawat Thongmee	Director and Managing Director	46,000	-	-	100,000
Total			415,500	98,000	27,000	925,000

Remark: Resolution of the Annual General Meeting of Shareholders for year 2013 approved Directors Bonus as a whole totaling not more than THB 3,500,000.00. However, the Board of Directors' meeting held on Thursday 27 February, 2014 passed the resolution to omit directors' bonus for the year 2013 to the Board of Directors total 925,000 baht.

Total Remuneration for Executive Directors and Executives

In 2013, the remuneration for Chairman of Executive Committees and Executives, totaling 4 persons were in the amount of THB 10,288,408

Other Remuneration

Objectives Allocation of ESOP Warrant

The Company was approved by the Extraordinary General Meeting of shareholders no. 1/2008 to allocate the warrant to its directors, executives and employees for 12,500,000 units (offering price was THB 0.00 per unit), at the exercise price which was valued at THB 3.00 per unit. By the way, a warrant is eligible to subscribe an ordinary share and the warrant was valid for 5 years of the date issuing and offering

Providing the opportunity to any directors, executives and employees to jointly own the company, motivating, and rewarding their performance and benefits provided to the Company by them.

Qualification of Company's directors and employees who were to be allocated Warrants

1. Any directors and/or regular employees of the Company, excluding any contract employees.
2. Any exception other than clause 1, shall be offered to the Management Team and/or the Remuneration Committees for consideration as the special case.
3. Number of warrants allocated to each of the Company's committees and/or officers under the Management Team determination do not have to be equal, however it depends on:
 - Position
 - work experience
 - Working performance and potential
 - Benefits contributed to the Company

Details of Warrant to purchase ordinary shares of the company to directors and employees;

- Date of warrant offered June 16th, 2009
- The first exercise date July 31st, 2010
- The last exercise date June 15th, 2014

Offering Period

- At the end of the 1st year, the accumulated conversion rights amount not to exceed 20%.
- At the end of the 2nd year, the accumulated conversion rights amount not to exceed 40%.
- At the end of the 3rd year, the accumulated conversion rights amount not to exceed 60%.
- At the end of the 4th year, the accumulated conversion rights amount not to exceed 80%.
- At the end of the 5th year, the accumulated conversion rights amount not to exceed 100%.

Number of allocate warrants to directors on 2 October 2008

Name - surname		Position	Number of allocate warrant
Mr. Anucha	Sihanatkathakul	Chairman of the Board	2,080,000
Mr. Jeremy Lechemere	King	Vice Chairman	2,080,000
Mr. Nontawat	Thongmee	Managing Director	1,080,000
Pol.Maj. Gen. Sunthorn	Boonruang	Director	480,000
Lt.Gen. Thavalya	Prapapant	Director	480,000
Mr. Pornsanong	Tuchinda	Director	480,000
Mr. Phasunsook	Ayanaputra	Director	480,000
Mr. Michael De	Santiesteban	Director	280,000
Mr. Thomas C.	Thompson	Director	280,000
Mr. Patrick M.	Davenport	Director	280,000

Number of allocate warrants to executives on 2 October 2008

Name - surname		Position	Number of allocate warrant
Mr. Tanakorn	Leelasiri	Assistant Managing Director of Administration Division	800,000
Mrs. Wilaiporn	Siripoorikan	Assistant Managing Director Finance and Accounting Division	800,000

- Note:** 1. Two executives, namely Mr. Anucha Sihanatkathakul (Chairman of the Board) and Mr. Nontawat Thongmee (Managing Director) are allocated the warrant which will be provided to any directors.
2. Mr. Tanakorn Leelasiri will be Director on 26 October 2009 after are allocated the warrant which will be to Executive directors.

The establishment and regulation of Provident Fund.**Objective:**

- To provide incentive for employee to continue their employment with FOCUS.
- To motivate employee more diligently.
- To be more in line with industry.

The employee's saving:

Employee's saving rate can be selected at 3% or 4% or 5% of basic salary.

The employer's contribution:

Employer's contribution rate is at 5%.

Years of service or years of membership	% payment of employer's contribution and its benefit
Less than 2 years	0%
2 years to less than 3 years	25%
3 years to less than 4 years	50%
4 years to less than 5 years	75%
5 years up	100%

Proposed Asset Management Company: Kasikorn Asset Management Co., Ltd.

No. of employee who entitle to apply: 135 persons

Estimated salary: 4,000,000.- Baht per month

Estimated contribution at 5%: 200,000.- Baht per month

Corporate Governance

The company had policy to comply with guideline on corporate governance for directors of listed company set by the Stock Exchange of Thailand (Attach 3 follow details) and the Committee of the company shall be understood roles and responsibilities. For example, director had to comply with laws and regulations of the company, had integrity and responsibility to shareholders, and had intention to continuous conducting the business. Director had to set policies and business directions of the company, and was responsible for the preparation of financial reports for the control of management to efficiently and effectively operate the business under determined policies.

In addition, the company appointed the Nomination and Remuneration Committee to determine the reasonable reward. However, the company has Independent Committee and Audit Committee to help monitoring internal control system of the Company in order for the company operation to be transparent and for the highest profits to the company and shareholders.

In addition, a criterion for the selection of Independent Director was in accordance with regulation of Stock Exchange of Thailand on the qualification of Independent Director. Examples of criteria are that independent director shall not hold position as management or full-time employee of the company, shall not be managing director or manager who has authority to take action on behalf of the company, and shall be independent from major shareholders, management, and related parties.

Control of the Use of Inside Information

The company passed the policies to protect the use of inside information by director or executive for their own benefits as follow;

1. Prohibit the director, executive, including spouse and children who are not yet of legal age, using the inside information to purchase, sell, transfer, or receive the company's securities before those information is disclosed to public especially within 1 month before financial statements are disclosed to public. Besides, after the information is disclosed to public, the aforementioned persons would not purchase or sell securities until the public has acknowledged that information for a certain appropriate period of time.

2. Acknowledge the director and executive, the responsibility to report their ownership of the company's securities, including those of the spouse and children who are not yet of legal age and regarding the report of the company's shares holder by director, management, including spouse and children who are not yet of legal age, that may have any chances to purchase, sell, transfer, or receive securities of the company as prescribed in notification of Securities and Exchange Commission.

Personnel

As of December 31st, 2013 the Company has 170 employees as listed below:

Description	Regular Employee (person)	Contract Employee (person)	Total (person)
Engineer	50	-	50
Architect	4	-	4
Head Office	37	-	37
Field	78	1	79
Total	169	1	170

Note: As of December 31st, 2013 the Company has 442 daily paid workers;

For the last 3 years, the Company has no any significant labor disputes. The total remuneration for 2011, 2012 and 2013 provided to the employees was in the amount of THB 53.35 million, THB 65.72 million and THB 78.26 million respectively. The said remuneration consists of salary, overtime, bonus and other payment.

The Company's policy enhances to continuously improve its personnel of all levels regarding the aspects of knowledge and competence, both engineer and any staff of other positions. Moreover, the Management Division is aware that its personnel are deemed as a value and vital resource, so that the Company's policy determines to enhance and support its personnel at all levels to the improvement of knowledge, skill and positive attitude towards their working.

Previously, the Company sent its personnel to attend the training courses in various fields which conform to their function, both inside and outside of the Company, whether they are provided by the public or private agency, such as the project of construction danger acknowledging enhancement and protection measures under the law regarding working safety, project of construction risk management for reducing any loss, and construction planning and period determination project, etc. Accordingly, such projects can increase the competence and effectiveness for their working, decrease any mistakes or trial and error, and enhance any personnel to gain more knowledge, vocational progress and working satisfactoriness leading to the corporate development and achievement of the operative objectives under the state of technology change and strong business competition.

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (s)
1	Mr. Anucha Sihanatkathakul Chairman of the Board (Director who is authorized of the company) Appointment Day: 4/11/2002	55	M.B.A (Finance), University of Houston, Texas, U.S.A. B.A. (Accounting & Management), Houston Baptist University, Texas, U.S.A. (Fellow Member), Thai Institute of Directors (IOD) 2/2001 Directors Certification Program (DCP), Thai Institute of Directors (IOD) 4/2000	-	-	2013 - present	Director	Rai Arthit Co., Ltd. /Investment
						2013 - present	Chairman	Data Technology Co., Ltd. / Consult,
						2010 - present	Executive	Design and Distribute Computer Equipments
						2010 - present	Chairman	Data In Motion Co., Ltd. / Distribute
						2010 - present	Director	Wi Net & Wi Fi Equipments
						2010 - present	Director	Amata B. Grimm Power Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2010 - present	Director	Amata B. Grimm Power 1 Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2010 - present	Director	Amata B. Grimm Power 2 Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2010 - present	Director	Amata B. Grimm Power 4 Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2010 - present	Director	Amata B. Grimm Power 5 Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2010 - present	Director	Amata Power (Rayong) Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2010 - present	Director	Amata Power (Rayong)1 Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2010 - present	Director	Amata Power (Rayong)2 Co., Ltd. /
						2010 - present	Director	Electricity Generating
						2008 - present	Director	Amata Water Co., Ltd. / Water & Utilities
						2008 - present	Director	Amata Asia Ltd. / Investment
						2007 - present	Director and	Amata Corporation Pcl. / Industrial Estate
						2007 - present	Chairman of the Audit Committee	Development
						2007 - present	Director	Amata (Vietnam) Joint Stock Company

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (s)
						2007 – present	Director	Amata Summit Reay Built Co., Ltd. / Factories for Lease
						2007 – present	Director	888 Property Co., Ltd. / Investment
						2003 – present	Executive Chairman	Focus Development and Construction Pcl. / Construction & Property Development
						2002 – present	Director	Focus Environmental Co., Ltd. / Construction & Engineering
						1998 – present	Director	Capital Focus Co., Ltd. / Investment
						1989 – present	Director	Moon Dance Development Co., Ltd. / Property Development
						2007 — 2009	Executive Vice Chairman	Syrus Securities Pcl. / Securities Business
2	Mr. Jeremy Lechemere King Vice Chairman (Director who is authorized of the company) Appointment Day: 22/08/2007	51	Law Degree, Nottingham University	-	-	2008 – present	Vice Chairman Executive	Focus Development and Construction Pcl. / Construction / Property Development
						1996 – present	Vice Chairman Chairman and CEO.	Knight Asia Co., Ltd.
						1996 – present	Chief Ex- ecutive and Managing	Siam Knight Fund Management Securities Co., Ltd.
						2007 — 2008	Director Director	Focus Engineering and Construction Pcl. / Construction
						2002 — 2006	Executive Director	Raimon Land Pcl. / Real Estate Development
						2001 — 2006	Director	Brooker Group Pcl. / Research and Real Estate Advisor

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company / Business Type (5)
3	Mr. Nontawat Thongmee Managing Director (Director who is authorized of the company) Appointment Day: 4/11/2002	51	M.B.A., Southeastern University U.S.A. B.B.A., Campbell University U.S.A. Directors Certification Program (DCP), Thai Institute of Directors (IOD) 44/2004	-	-	2004 - present	Director and Managing Director	Focus Development and Construction Pcl. / Construction / Property Development
						2003 - present	Director	Focus Environmental Co., Ltd. / Construction

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (s)
4	Lt.Gen Thavalaya Prapapant Director Appointment Day: 28/02/2003	79	Army Engineer Curriculum for Colonel, Army Engineer School, Bhanurangsi Camp, Ratchaburi Royal Thai Army War College, Institute of Advanced military Studies Bachelor of Civil Engineering Worcester Polytechnic Institute, MA, U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors (IOD) 8/2004 (year 2004)	-	-	2003 - present	Director	Focus Development and Construction Pcl. / Construction / Property Development
						1997 - present	Advisor to Executive Director	Intech Co., Ltd. / Machinery Sales Agent Business
5	Pol.Maj.Gen. Sunthorn Boonruang Director Appointment Day: 4/11/2002	77	Bachelor of Political Science, Royal Police Cadet Academy M.P.A., Indiana University U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors (IOD) 8/2004 (year 2004)	0.525	-	2002 - present	Director	Focus Development and Construction Pcl. / Construction / Property Development
						2013 - present	Director and Audit Director	Focus Engineering and Construction Pcl. / Construction

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (5)
6	Mr. Pomsanong Tuchinda Director and Audit Committee Appointment Day: 1/3/2005	53	Master Degree of Finance and Management, Babson College, Massachusetts, U.S.A Bachelor Degree of Economics and Political Science, The University of Michigan, Ann Arbor, Michigan, U.S.A. Directors Accreditation Program (DAP), Thai Institute of Directors (IOD) 29/2004 (year 2004) Director Certification Program (DCP), Thai Institute of Directors 2008 (IOD) Audit Committee Program (ACP), Thai Institute of Directors 2006 (IOD)	-	-	Nov 2013 - present	Acting Head of Transaction Banking Business	Bank of Ayudhya PCL
						Oct 2012 - present	Head of Corporate Banking	
						Jul 2012 - Present		
						Feb 2010 - Present	Risk Management Committee Member Credit Committee Member	
						Jan 2010 - Present	Executive Committee Member	
						Jan 2007 - Present	Senior Executive Vice President	
						Jul 2012 - Sep 2012	Director	
						Jan 2010 - Sep 2012	Acting Head of Corporate Banking Head of Transformation	
						Apr 2010 - Jun 2010	Acting Head of Human Resources Secretary to the Nomination and Remuneration Committee	
						Feb 2007 - Dec 2009	Nomination and Remuneration Committee Member	
						Mar 2010 - Present	Audit Committee Member	
						May 2008 - Present	Remuneration Committee Member	Focus Development and Construction PCL.
						Mar 2005 - Present	Independent Director	
						May 2008 - Feb 2010	Chairman of Audit Committee	Krungsri Securities PCL
						Mar 2005 - May 2008	Audit Committee Member	
						Nov 2009 - Present	Chairman (Authorized Signatory)	Triple P Development Co., Ltd.
						2007 — Sep 2010	Chairman	
						Dec 2008 - Nov 2009	Chairman	Krungsri Asset Management Co., Ltd.

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (s)
7	Mr. Phasunsook Ayanaputra Director and Chairman of Audit Committee and Chairman of Nomination and Remuneration Committee Appointment Day: 27/2/2006	54	Master of Law Program (LLM), University of Iowa, U.S.A. Thai Barrister at Law, BAR Association Bachelor of Law, Chulalongkorn University Directors Accreditation Program (DAP), Thai Institute of Directors (IOD) 81/2009 (year 2009)	0.189	-	May 13 - present May 08 - present 2006 - 2013 1992 - present	Chairman of Audit Committee Chairman of Remuneration Committee Independent Director and Audit Director Partner	Focus Development and Construction Pcl. / Construction / Property Development Focus Development and Construction Pcl. / Construction / Property Development Focus Development and Construction Pcl. / Construction / Real Estate Development Siam Premier International Law Office Limited
8	Mr. Patrick Michael Davenport Director Appointment Day: 3/10/2008	48	Bachelor of International Relation with a minor in Asian History, James Madison College, Michigan State University Director Certification Program (DCP), Thai Institute of Directors (IOD) 123/2009 (year 2009)	-	-	Oct. 08 - present 2006 - present 2004 - present 1997 - present	Director Director Director Directo	Focus Development and Construction Pcl. / Construction / Property Development Rubfila International Limited Knight Asia Co., Ltd. Zaurus Investments Limited

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (5)
9	Mr. Thomas C. Thompson Director Appointment Day: 25/04/2008	62	Msc Economics London School of Economics, 1979 BA Economics Columbia University, 1978, U.S.A Directors Accreditation Program (DAP), Thai Institute Of Directors (IOD) 74/2008 (year 2008)	-	-	April. 08 - present	Director	Focus Development and Construction Pcl. / Construction / Property Development ACH Investment Pte, Ltd
						April 1998 - present	Partner	
10	Mr. Michael de Santiesteban Director Appointment Day: 25/04/2008	49	Master's Public Policy, Minor Statistics, Georgetown University Presidential Scholar Directors Accreditation Program (DAP), Thai Institute Of Directors (IOD) 74/2008 (year 2008)	-	-	April. 08 - present	Director and Audit Director	Focus Development and Construction Pcl. / Construction / Property Development Bank Julius Baer
						2007 - present	Managing Director Senior Advisor	UBS AG Singapore
						2004 - 2007	Executive Director	

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (s)
11	Mr. Tanakorn Leelasiri Director and Assistant Managing Director of Administration Division Appointment Day: 12/10/2009	54	Master Degree of Sociology, Thammasat University Bachelor Degree of Political Science, Public Administration, Thammasat University Directors Certification Program (DCP), Thai Institute of Directors (IOD) 44/2004 (year 2004) Mini MBA. Certificate, Faculty of Business Administration, Kasetsart University, No.33, 2004	0.0002	-	Oct. 09 - present	Director	Focus Development and Construction Pel. / Construction / Property Development
						2007 - present	Assistant Managing Director of Administration Division, Acting Manager of General Administration, Human Resources and Information Technology Department, Acting of Manager of Equipment Control Department and Acting of Manager of Purchasing Department	Focus Development and Construction Pel. / Construction / Property Development
						2005 - 2007	Director, Assistant Managing Director of Business Support Division, Secretary to the Board of Directors, Acting Manager of General Administration, Human Resources and Information Technology Department	Focus Engineering and Construction Pel. / Construction
						2001 — 2005	Assistant Managing Director of Support Division And Acting Manager of General Administration, Human Resources and Information Technology Department	Focus Engineering and Construction Pel. / Construction

No.	Name - Surname Position	Age (year)	Education Background	Percent of Share holding in the company (%)	Family Relationship	Work experience during the past 5 years		
						Period	Position	Name of Unit / Company/ Business Type (5)
12	Mrs. Wilaiyorn Siripoorikan Assistant Managing Director of Finance and Accounting Division	46	M.B.A., Finance, University of the Thai Chamber of Commerce B.B.A., University of the Thai Chamber of Commerce	0.0002	-	2005 - present	Assistant Managing Director of Finance and Accounting Division	Focus Development and Construction Pcl. / Construction / Property Development
						2002 - 2005	Manager of Finance and Accounting Department	Focus Engineering and Construction Pcl. / Construction

Details of Director, Executive Director and Executive Position
in other related companies (as of December 31st, 2013)

		Focus Development and Construction Public Company Limited	Focus Environmental Company Limited	Capital focus Company Limited
1. Mr. Anucha	Sihanatkathakul	#, /, ♠, •	/	/
2. Mr. Nontawat	Thongmee	/, ♦, •	/	
3. Mr. Jeremy	King	★, /		
4. Lt.Gen. Thavalya	Prapapant	/		
5. Pol.Maj.Gen. Sunthorn	Boonruang	/, +, ❖		
6. Mr. Pornsanong	Tuchinda	/, +, ❖		
7. Mr. Phasunsook	Ayanaputra	/, ++, ✧		
8. Mr. Patrick M.	Davenport	/		
9. Mr. Thomas C.	Thompson	/		
10. Mr. Michael De	Santiesteban	/		
11. Mr. Tanakorn	Leelasiri	/, •		
12. Mrs. Wilaiporn	Siripoorikan	•		

Remark # Chairman of the Board

♠ Chairman of Construction Committee

♦ Managing Director

+ Audit Director

✧ Chairman of Nomination and Remuneration Committee

★ Vice Chairman

/ Director

++ Chairman of Audit Committee

• Executive

❖ Nomination and Remuneration Director

The company has launched Focus Ploenchit Condominium, which has transactions with related parties, in 2 cases the prices and terms are subject to normal business. For the year ended 31 December 2013 are as follows.

Name of person who may have conflict of interests	Relationship	Type / size of transaction	Necessity and reasonability of the transaction
1. Perasia Assets (Thailand) Co., Ltd.	Mr. Jeremy Lechemere King is an authorized signatory of Focus Development and Construction Public Company Limited	The company bought two 'Focus Ploenchit' condominium unit, the Company's project, the first unit cost 6,190,844 baht. and the second was 7,561,573 baht.	Perasia Assets (Thailand) Co., Ltd. bought the unit at the same price as other clients
2. Ms. Annie Guat Khuan Chew	Ms. Annie Guat Khuan Chew is married to Mr. Thomas C. Thomson, who is a director of Focus Development and Construction Public Company Limited	Ms. Annie Guat Khuan Chew bought a 'Focus Ploenchit' condominium unit, the Company's project. at 7,766,920 baht.	Ms. Annie Guat Khuan Chew bought the unit at the same price as other clients

3. Explanation and Analysis of Financial Status and Performance

3.1 Performances

In 2013, the situation of the construction industry had tended to expand at the slowdown rate since the end of the year 2013 as it had to encounter many risk factors, such as, political uncertainty affecting the trading and economic direction, establishment of policy on the national investment and infrastructure development inevitably affecting the growth of the construction industry. In addition, the stability of the global economic restoration must be followed up since it also affects the investment from foreign investors in Thailand in the future.

Regarding to the real estate market in 2013, either small or large, entrepreneurs all faced with various negative factors, such as, increased labor cost problem and increased prices of construction materials. In addition, the political issues at the end of the year resulted in the psychological effect, causing consumers to slow down their expenses and the purchase of high-priced housing. Consumers will be more careful in selecting and purchasing accommodation. As a result, it takes longer time for making a decision, especially in terms of location and price.

In 2013, the Company was contracted to the construction project in types of housing building, department store, industrial plant, office building, hotel, and resort, such as department stores in the area of Phrakhanong, W-District Trunc C Project, Mill and Silo Building under the Rice Complex Project in Angthong Province, Common Housing Building under the Project of Sucre Khao Yai, Nakhonratchasima Province, 6-storey hotel under the Splendid Resort Hotel Project in Nakhonratchasima Province, 3-storey office building in the area of Pleonchit, Bangkok, and 10 villas under the V Hua Hin Project, Prachuabkhirikhan, and so on.

The Company gained income from the construction business in 2013 in an amount of 1,077.85 million Baht, increased by 183.36 million Baht from 894.49 million Baht in 2012. The income from the sale of real estate was in an amount of 22.90 million Baht due to the ownership transfer of units under the Focus on Saladaeng Condominium Project to customers. According to both types of business, the Company earned the total revenue of 1,100.75 million Baht with the total cost of sale and services 1,066.48 million Baht. The gross profit from its operation was 34.28 million Baht, equivalent to the gross profit rate of two types of business of 3.11%, decreased from the previous year, because the Company adjusted the construction cost budget based on the actual expenses incurred for the completed projects.

The administrative expenses of the Company was in an amount of 66.53 million Baht, increased by 12.43 million Baht from the previous year, or equivalent to 22.98%, since the Company had to expense the advertising and public relation cost under the Focus Pleonchit Condominium Project in an amount of 10 million Baht.

In addition, in 2013, the Company had the financial cost in an amount of 1.48 million Baht and revenue from the income tax in an amount of 4.94 million Baht, resulting to the net losses of the Company in an amount of 20.71 million Baht or 1.87% of the total income.

However, the Company is committed to develop its competency in terms of quality of works and personnel in order to provide standardized services and timely deliver projects to customers. Additionally, the Company continues emphasizing on seeking for projects of both public and private sector by considering any risks and financial competency of each customer prior to making a decision of accepting any construction projects. This is to reduce the risk possibly arising out of the inability of bill collection.

3.2 Revenue

Structure of Revenues of the company since the year 2011, the revenue from the construction business along with the property business.

(Unit : Million Baht)

Source of Incomes	2013		2012		2011	
Construction business	1,077.85	97.21%	894.49	80.88%	548.15	90.92%
Property business	22.90	2.06%	207.10	18.72%	49.41	8.19%
Other Income	8.08	0.73%	4.39	0.40%	5.36	0.89%
Total	1,108.83	100.00%	1,105.98	100.00%	602.92	100.00%

Construction Business: The Company is categorized in the medium-sized construction contractor which provides the service of construction and general engineering construction, such as, design, construction of structure and architecture, construction engineering system, and environmental engineering system, i.e. construction of office building, department store, hotel, resort, hospital, housing building, educational institutes, student dormitory, factory, road, bridge, piping and wastewater treatment system, railway, railway station, and other public utilities.

Income of the Company depends on the type and quantity of work in each period. The Company has the policy of accepting any projects of the public sector and the private sector by considering the project which returns appropriate remuneration and competent and reliable employers with good financial position.

For the income recognition, the Company will recognize income based on the stage of construction completion which is estimated by the reference of project's survey. The recognized construction income will not exceed the construction capital incurred. For the completed projects which are not delivered and issued the invoice to customers, they will be shown as the value of completed project with non-collection of bills. The duration of construction for agencies of both the public sector and the private sector is approximately 1-2 years or above depending on the value of each project. The income proportion of the construction business in 2013, 2012, and 2011 is 97.21%, 80.88%, and 90.92% of the total income, respectively.

In 2013, the Company earned income from the construction in an amount of 1,077.85 million Baht, increased by 183.36 million Baht or 20.49% from 894.49 million Baht in 2012. Most income gained from the construction business derived from the construction of the housing building under the Project of Equinox (Phaholayothin-Viphawadee), Kanyarat Lakeview Condominium Project in Khonkhaen, and Phuphathara Khaoyai Project, Nakhonratchasima, and so on.

Property Business: The Company will recognize income from the sales of units in condominium when the construction project was completed according to the contract and the risk and significant return of ownership were transferred to purchasers. The Company had gradually transferred the ownership of units under the Focus on Saladaeng Project to customers from the 4th quarter of 2011 to December 31, 2013, totaling 61 units and remaining 1 unit. Transferring such ownership to customers was mostly implemented in 2012. As a result, the income proportion of the real estate development business in 2013, 2012, and 2011 is 2.06%, 18.72%, and 8.19% of the total income, respectively.

As of December 31, 2013, the Company completely had the value which the sale and purchase contract had been made as follows.

(Unit : Million Baht)

Project	Amount	% Of Total Project (%)	Total valuef Project
Focus on Saladaeng	279.41	96.91	288.32
Focus Ploenchit	209.66	26.20	800.35

3.3 Expenses

The Company's expenses comprise of cost of construction, cost of sales, administrative expenses, finance cost, and income tax expenses.

- Cost of construction consists of construction material expenses, sub-contractor wages, and labor wages for construction projects, including overhead cost, etc.
- Cost of construction consists of land cost, land development cost, design cost, utility construction cost, other costs directly relating to the projects, including interest expenses arising out of loans for the acquisition of lands and project development prior to the completion of project development.

For the year 2013 and 2012, the Company had the cost divided based on the nature of business as follows;

Cost of Construction Business: In 2013, the income of the Company increased by 183.36 million Baht from the previous year. The increased capital of construction was in accordance with the recognition of increased income. In addition, the rate of construction capital increased from 94.10% in 2012 to 97.72% in 2013 since the adjustment of construction capital budget based on the actual expenses incurred for the completed projects. This resulted to the increase of the rate of construction capital.

Cost of Sales: In 2013, The Company transferred the ownership of units under the Focus on Saladaeng Condominium Project to customers in an amount of 3 units. As a result, the income from the property business decreased from 2012 in an amount of 184.20 million Baht. The recognition of the cost of sales; would be in accordance with the condominium unit which its ownership was transferred to customers. In 2013 and 2012, the rate of cost of sales was equivalent to 57.60% and 67.79%, respectively. However, The cost of sales is different due to the various areas and selling prices of each unit.

(Unit : Million Baht)

	2013				2012				Increase (Decrease)	
Description	Construction		Real Estate		Construction		Real Estate		Construction	Real Estate
Income	1,077.85	100%	22.90	100%	894.49	100%	207.10	100%	183.36	(184.20)
Cost	1,053.29	97.72%	13.19	57.60%	841.65	94.10%	140.40	67.79%	211.64	(127.21)
Gross Profit	24.56	2.28%	9.71	42.40%	52.84	5.90%	66.70	32.21%	(28.28)	(56.99)

Administrative Expenses: In 2013, the administrative expenses of the Company was 66.52 million baht, consisting of employees' salary, remuneration of executives, rental fees and office service charges, depreciation, etc., increased by 12.41 million Baht or 2.29%, from 54.11 million Baht in 2012. Since the Company provided the advertising and public relations for the Focus Ploenchit Condominium Project in 2013, such as advertising banners, sales office, brochures, advertisements in any media, booth exhibition in department stores, and so on, such expenses were occurred and recorded in the administrative expenses account of the Company.

Allowance for Doubtful Account: The Company had reserved allowances for retention receivables in an amount of 13.31 million Baht since 2003. It was the retention receivables from the construction of the wastewater collection and treatment system under the Wastewater Management Project in Samutprakarn. The contract of such project of the employer is in the legal execution process. As a result, the Company reserved the allowance for doubtful account of such retention receivables in a full amount. Currently, the case is in the process of appealing against the Supreme Administrative Court for

consideration. In addition, in 2009, the Company reserved the allowance for doubtful account of another receivable in an amount of 6.24 million Baht since such receivable was unable to repay the payment according to the cheque in the case that the Company claimed compensation for the damages arising out of the delayed construction. Currently, it is in the process of debt collection.

Financial Cost: In 2013, the Company had the financial cost in an amount of 1.48 million Baht, decreased by 2.78 million Baht or 65.26% from 4.26 million Baht in 2012, because the Company was able to deliver the completed projects and receive the payment from the account receivables more rapidly, resulting to the sufficient cash flow in the business. As a result, the Company borrowed the short-term loans from the project loan limit by issuing discounted promissory notes or from overdraft from banks in some periods, so the financial cost was reduced from the previous year.

Income (Expenses) from Income Tax: In 2013, the Company had the income from the income tax in an amount of 4.94 million Baht, due to the change of temporary difference of deferred income tax. In 2012, the expenses of the current income tax was in an amount of 1.01 million Baht and the deferred income tax was in an amount of 14.85 million Baht, due to the change of temporary difference of 12.25 million Baht and the reduction of the income tax rate. As a result, the total income tax expense of the Company was 15.86 million Baht.

The income tax expenses consist of the current income tax and the deferred income tax.

The current income tax is calculated based on the rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Royal Decree No. 530 B.E. 2554 dated December 14, 2011 issued under Revenue Code Governing Reduction of Rates and Exemption of Taxes and Duties, announced to reduction of corporate income tax rate of net profit from 30% to 23% for the first accounting period begins on or after January 1, 2012, and 20% for the following two accounting periods which begins on or after January 1, 2013.

Regarding to the deferred income tax, the Company complies with the Thai Accounting Standard 12 on "Income Taxes". For the accounting period starting from January 1, 2013 onwards, the effect of the change was retroactively restated in the financial statement and presented in the statement of financial position as of December 31, 2012 and January 1, 2012, and the statement of comprehensive income for the year ended December 31, 2012, which affected to the financial statement.

(Unit : Million Baht)

The statements of financial position	31 December 2013	31 December 2012	1 January 2012
Increase in deferred tax assets	10.06	5.11	19.97
Decrease in deficit	(10.06)	(5.11)	(19.97)

3.4 Net Profit (Loss)

The Company had losses from the net operation for the year ended December 31, 2013 in an amount of 20.71 million Baht or 1.87% of the total income, compared to the same accounting period in 2012, where the net profit was 46.69 million Baht or 4.49% of the total income. The net profit decreased by 70.40 million Baht or equivalent to 141.68%. The reasons of significant changes were as follows:

1. Income from the Property Business decreased by 184.20 million Baht or 88.94%, from 207.10 million Baht in 2012 to 22.90 million Baht in 2013, since the Company transferred the ownership of units under the Focus on Saladaeng Project to customers in the total of 47 units out of 62 units, equivalent to 75.80%.

2. Construction cost increased from 94.09% compared to the income from the construction in 2012 to 97.72% in 2013 because the Company adjusted the construction capital budget based on the actual expenses incurred for the completed projects.

3. Administrative expenses increased by 12.43 million Baht from the previous year since the Company had to expense the advertising and public relation cost under the Focus Pleonchit Condominium Project in an amount of 10 million Baht.

(Unit : Million Baht)

Description	2013	2012 (Restated)	Increase (Decrease)	
Total revenues	1,108.83	1,105.98	2.85	0.26%
Total cost	(1,066.48)	(982.05)	(84.43)	(8.60%)
Administrative cost	(66.52)	(54.11)	(12.41)	(2.29%)
Financial cost	(1.48)	(4.26)	2.78	65.26%
Income tax expense	4.94	(15.87)	20.81	131.13%
Profit (loss) for the year	(20.71)	49.69	(70.40)	(141.68%)

3.5 Financial Position

Financial position of the Company for the year 2013, compared to the year 2012 had the following significant changes.

1. Analysis of Assets

The total assets of the Company as of December 31, 2013 was 649.24 million Baht, a decrease of 55.98 million Baht or equivalent to 7.94% compared to the total assets in 2012 which was 705.22 million Baht. It was divided into the current asset of 469.24 million Baht and non-current asset of 180 million Baht

In 2013, the current asset of the Company was 469.24 million Baht or equivalent to 72.28 of the total assets. The major items were as follows;

1.1 Cash and cash equivalents in amount of 5.74 million Baht and Restricted bank deposits in amount of 24.47 million Baht decreased by 31.46 million Baht or 51.01%, from 61.67 million Baht in 2012 since at the end of the year 2013 the Company had to pay wages to the sub-contractor and daily wages.

1.2 Account receivables, other receivables, and unbilled receivables were in the total amount of 200.45 million Baht or 42.72% of the current assets. It was divided into the account receivables of 90.20 million Baht, other receivables of 0.78 million Baht, and unbilled receivables of 109.47 million Baht. The total amount decreased by 73.83 million Baht or 26.92%, from 274.29 million Baht in 2012. Although the income from the construction business of the Company in 2013 increased by 183.37 million Baht compared to the previous year, the Company was able to collect bills more rapid than the previous year, from the duration of 39 days in 2012 to 36 days in 2013. As a result, the account receivables of the Company decreased. In 2013, they were receivables with the period of more than 3 months in an amount of 81.39 million Baht and receivables with the period of more than 6 up to 9 months in an amount of 8.81 million Baht. Among these receivables, there was one account receivables which the Management completely negotiated with the project owner to seek for the summary of debt repayment. As of December 31, 2013, 2012, and 2011, the Company had the outstanding balances of trade account receivables, aged by number of months.

(Unit : Million Baht)

	2556	2555	2554
Less than or equal to 3 months	81.39	108.89	107.38
More than 3 to 6 months	-	19.47	-
More than 6 to 9 months	8.81	-	-
Total	90.20	128.36	107.38

1.3 Cost of property was 247.03 million Baht, increased by 21.70 million Baht from 225.33 million Baht in 2012 because the Company started the construction of the residential condominium under the Focus Pleonchit Project, located at Soi Sukhumvit 2. It is estimated to complete in the 1st quarter of 2015.

1.4 Non-current asset was in an amount of 180.00 million Baht, increased by 51.84 million Baht or 40.45% from 128.16 million Baht in the previous year since the Company had to pay the withholding corporate income tax for the year 2013 in an amount of 33.66 million Baht and for the year 2012 in an amount of 23.37 million Baht. Currently, it is in the consideration of tax refund approval from the Revenue Department.

(Unit : Million Baht)

Description	2013	2012	Increase (Decrease)	
Cash and cash equivalent	5.74	40.95	(35.21)	(85.98%)
Trade and other receivables	90.98	128.64	(37.65)	(29.27%)
Unbilled receivables	109.47	145.65	(36.18)	(24.84%)
Cost of property development	247.03	225.33	21.70	9.63%
Total Current Assets	469.24	577.06	(107.82)	(18.68%)
Restricted bank deposits	24.47	20.72	3.75	18.10%
Total Non-current Assets	180.00	128.16	51.84	40.45%
TOTAL ASSETS	649.24	705.22	(55.98)	(7.94%)

2. Analysis of Liabilities

As of the year ended 2013, the total liabilities of the Company was 488.57 million Baht, decreased by 38.69 million Baht or 7.34% from 527.26 million Baht in 2012. It was divided into the current liabilities of 326.48 million Baht and non-current liabilities of 162.09 million Baht. The major items were as follows;

2.1 Bank overdraft and short-term loans from financial institutions were in an amount of 9.58 million Baht, decreased by 105.33 million Baht or 91.66% from 114.91 million Baht in 2012 because the Company issued the promissory notes of 100 million baht in 2012 in order to pay the land fee at Soi Sukhumvit 2 which reached the payment due date in 2013. The Company completely paid such loan, therefore the short-term loans from financial institutions decreased by 100 million Baht. As of the year ended 2013, the Company discounted and sold some projects in form of promissory notes and withdrew cash from the overdraft in the amount of 6.98 million baht.

2.2 Account payables and other payables were in an amount of 117.11 million baht, decreased by 62.74 million Baht or 34.88% from 179.85 million Baht in 2012. The estimation of cost was 78.47 million Baht, increased by 25.83 million Baht or 49.07 from 52.64 million Baht in 2012 due to the increased quantity of construction material order or wages which were in accordance with the increased figure of income and construction cost. However, the Company gained more credit from some account payables so the average period of repayment was increased from 47 days in 2012 to 51 days in 2013. Regarding to sub-contractors who was unable to disburse wages of the completed performances, the Company completely estimated in the cost estimation account in an amount of 78.47 million baht.

2.3 Liabilities under current portion of liabilities and long-term finance lease agreements were in an amount of 7.42 million baht, increased by 5.58 million baht from 1.84 million baht in 2012 because the Company had entered into the finance lease agreement with one leasing company in 2013 in order to purchase machineries and vehicles for the construction of any projects, such as, tower crane, hydraulic excavator, etc. As a result, the Company had obligations of monthly installment payment in an amount of 0.28 million Baht.

2.4 Advance received was in an amount of 63.25 million Baht, decreased by 17.95 million Baht or 22.11% from 81.20 million Baht in 2012. The reason was that the Company obtained the advance received of construction cost from the employer and gradually deducted from the construction progress payment in each payment in an amount of 43.61 million baht and also received the deposit of the agreement and installment payment from customers under the Focus Pleonchit Project in an amount of 19.64 million Baht.

2.5 Long-term loans from financial institutions were in an amount of 152.30 million Baht, increased by 100 million Baht from 52.30 million Baht in 2012 because the Company borrowed the loans from the domestic banks in order to repay debts on the promissory notes in an amount of 100 million Baht. Such loan was under the long-term loan limit of 335 million Baht. The guarantees of such loan were the land of Focus Pleonchit Project, including its current and prospect buildings. The term of principle repayment was at the rate of 70% of the sale and purchase agreement when the ownership of units is transferred and the interest payment was on the monthly basis at the rate of MLR-1.25 per year. The period of repayment was within June, 2015.

(Unit : Million Baht)

Description	2013	2012	Increase (Decrease)	
Bank Overdrafts and short-term loans from financial institutions	9.58	114.91	(105.33)	(91.66%)
Trade and other payables	117.11	179.85	(62.74)	(34.88%)
Current portion of debts	2.99	0.63	2.36	374.60%
Estimated cost	78.47	52.64	25.83	49.07%
Retention payables	46.21	28.08	18.13	64.57%
Advances received	63.25	81.20	(17.95)	(22.11%)
Total current liabilities	326.48	469.25	(142.77)	(30.43%)
Long-term loans from financial institutions	152.30	52.30	100.00	191.20%
Long-term liabilities under finance lease	4.43	1.21	3.22	266.12%
Total Non-current Liabilities	162.09	58.00	104.09	179.47%
Total Liabilities	488.57	527.25	(38.68)	(7.34%)

3. Analysis of Shareholders' Equity

The shareholders' equity of the Company at the year-end of 2013 was 160.67 million Baht, equivalent to the book value ratio of 1.27 Baht per share, decreased by 17.29 million Baht or 9.72% from 177.96 million Baht, equivalent to the book value ratio of 1.42 Baht per share at the year-end of 2012. The major changes were as follows;

3.1 In January, 2013, there were 192,000 units of warrant holders and they exercised the right to convert to the ordinary shares of 192,000 shares at the exercise price of 3 Baht per share, resulting to the share premium of 0.38 million Baht. The Company has registered the change of paid-up capital from such right to the Ministry of Commerce from the amount of 125.58 million Baht to 125.77 million Baht on February 6, 2013.

3.2 In April, 2013, there were 949,000 units of warrant holders and they exercised the right to convert to the ordinary shares of 949,000 shares at the exercise price of 3 Baht per share, resulting to the share premium of 1.90 million Baht. The Company has registered the change of paid-up capital from such right to the Ministry of Commerce from the amount of 125.77 million Baht to 126.72 million Baht on May 8, 2013.

3.3 As of December 31, 2013, the net loss from the operation of the Company was 20.71 million Baht, therefore the accumulated loss increased from 1.75 million Baht. The total accumulated loss was 22.46 million Baht.

(Unit : Million Baht)

Description	2013	2012	Increase (Decrease)	
Authorized share capital:	400.00	400.00	-	0.00%
Issued and paid-up share capital	126.72	125.58	1.14	0.93%
Premium on ordinary shares	56.41	54.13	2.28	4.21%
Deficit	(22.46)	(1.75)	20.71	1,183.43%
Total Shareholders' Equity	160.67	177.96	(17.29)	(9.72%)

4. Analysis of Cash Flow

The statement of cash flow represented the cash flow changing from the operating activities, investing activities, and financing activities at the end of the fiscal year and also presented the outstanding balances of cash and cash equivalents as of December 31, 2013 in an amount of 5.74 million Baht, decreased by 35.21 million Baht or 85.98% from 40.95 million Baht in 2012 as follows;

4.1. Net cash flow was used in the operating activities because the Company's gross profit rate of the construction project was fairly low. Some project did not earn profits since it had expenses on urgent works in order to deliver the project to customers in time. As a result, the Company had to spend lots of working capital in the operations. The cash flow from operating activities was in deficit to the amount of 18.92 million Baht.

4.2. Net cash flow used in the investing activities was 11.31 million Baht which derived from the purchase of machineries and vehicles in an amount of 11.21 million Baht for using in the construction of any projects.

4.3. Net cash flow used in the financing activities was 4.97 million Baht which derived from the overdraft in an amount of 2.60 million Baht and short-term loan from banks by issuing the promissory notes of 6.98 million Baht. In 2013, the Company paid the total interest of short-term loan and overdraft of 1.44 million Baht.

(Unit : Million Baht)

Description	2013	2012	Increase (Decrease)	
Net cash used in operating activities	(18.92)	(45.84)	(26.92)	(58.73%)
Net cash used in vesting activities	(11.31)	(8.29)	3.02	36.43%
Net cash provided by (used in) financing activities	(4.97)	82.66	(87.63)	(106.01%)
Net increase (decrease) in cash and cash equivalents	(35.20)	28.53	(63.73)	(223.38%)
Cash and cash equivalents at beginning of year	40.95	12.42	28.53	229.71%
Cash and cash equivalents at end of year	5.74	40.95	(35.21)	(85.98%)

5. Analysis of Significant Financial Ratio

In 2013, the Company has the significant financial ratio as follows;

5.1. Liquidity Ratio: Although the Company's gross profit of construction projects had fairly low, in 2013 the Company has the significant financial equivalent to 1.44 times, which was better than that of 2012 equivalent to 1.23 times. This resulted from the Company was able to deliver the completed project according to the construction plan and collect the bills within the specified period. The average period of debt collection was earlier than the previous year from 39 days to 36 days. In the meantime, the Company also provided the payment to the account payables according to the term of purchasing order which the average period of repayment was later than the previous year from 47 days to 51 days, resulting to the better cash flow liquidity of the Company.

5.2. Profitability Ratio: Since the Company expanded its business to the real estate development business which had the great profit rate, in 2013 the Company had the gross profit from such business at the rate of 42.41%. Although the gross profit of the construction business was not quite high, compared to the real estate development business, the Company has grown from the construction business so it continues operating as the main business together with the real estate development business. However, this is another method of income distribution.

5.3 Solvency Ratio: The Company provided the payment to the account payables according to the term of purchasing order which the average period of repayment was later than the previous year from 47 days to 51 days. As of December 31, 2013, the Company borrowed the long-term loan from the bank in an amount of 152.30 million Baht under the long-term loan limit in order to purchase the land and construction of the Focus Pleonchit Project. The term of principle repayment was at the rate of 70% of the sale and purchase agreement when the ownership of units is transferred. The period of repayment was within June, 2015

Liquidity Ratio	2013	2012	2011
Liquidity Ratio (Time)	1.44	1.23	0.99
Average collection period (Day)	36	39	43
Average Payment Period (Day)	51	47	35

6. Obligations and Contingent Liabilities

As of December 31, 2013, the Company had the obligations and contingent liabilities as follows;

6.1 The Company had the letter of guarantee issued by the domestic banks which related to the obligations under the agreement in the normal course of business. The outstanding balance as of December 31, 2013 was 385.70 million Baht.

6.2 Payment obligations under agreement were as follows;

6.2.1 Payment under the office rental and service agreement which the rental period will be terminated on August 14, 2014 in an amount of 2.62 million Baht

6.2.2 Payment under the construction agreement and the employment agreement of real estate development project in an amount of 93.84 million Baht

Factors and Major Influences Possibly Affecting Operations or Financial Position in Future

Factor of Industrial Conditions

Since the construction business is a type of the service businesses, the factor influencing on the operation of the Company in the future is the demand of services of customers or users. This depends on the investment policy of the private sector and the public sector which determines the quantity of construction project. However, the main factor of the Company's operation depends on the capability of directors, executives, and team of supplying new construction projects for the Company. The quantity of work and the value of accepted projects must correspond to the working capital that the Company can afford. The main source of funds of the Company consists of capital of the Company and loans from commercial banks and financial institutes. In addition, the Company also controls the construction cost, such as, construction materials cost, transportation fee, wages, and administrative expenses, including financial cost, to be in the appropriate level.

Although the real estate development business causes the high return to the Company, there are factors affecting the operation in terms of ability of supplying efficient lands with reasonable prices and meeting the demand of the target customers.

Change of Major Shareholders

Although the Company has been established since 1989, later the group of major shareholders of the Company was changed. The group of Mrs.Napharat Sihanatkathakul became the major shareholder. In addition, the executives and the management policies have been changed as well. The Company has started to operate the construction since 2000. The Company has the policy which does not focus on the construction in any specific industrial sectors only. As a result, the income proportion of the Company was not constant previously. However, the Company plans to participate in some auction or construction projects of the private sector which the Company already considers that he employer has the financial competency and the Company will gain the appropriate return rate. In addition, the Company has competency in the construction and it is possible that the Company will be employed in this project because engineers of the Company are expert in construction works. Executives and engineers of the Company also give advices on the design, usage of construction materials, and construction techniques which can save the construction cost and the construction work will also be qualified, well-accepted, and trusted by any group of customers.

To the Board of Directors and Shareholders of Focus Development and Construction Public Company Limited

I have audited the accompanying financial statements of Focus Development and Construction Public Company Limited which comprise the statement of financial position as at December 31, 2013, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Focus Development and Construction Public Company Limited as at December 31, 2013, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matters

I draw attention to Note 2 to the financial statements, during the year 2013, the Company has adopted Thai Accounting Standard No. 12, "Income taxes" for the preparation and presentation of these financial statements which have been restated for the effects of the adoption of this Thai Accounting Standard.

My opinion on financial information is not qualified in respect of this matter.



Prawit Viwanthanant
Certified Public Accountant
Registration Number 4917

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

Baht

	Note	December 31, 2013	December 31, 2012	January 1, 2012
			"Restated"	"Restated"
ASSETS	3			
CURRENT ASSETS				
Cash and cash equivalents	5	5,743,203	40,948,904	12,418,047
Trade and other receivables	6	90,985,532	128,642,545	107,601,676
Work in progress		4,414,668	7,872,593	5,849,545
Unbilled receivables	17	109,473,703	145,650,227	66,694,759
Cost of property development	7	247,033,160	225,329,603	136,214,928
Other current assets		11,590,793	28,616,458	23,397,623
Total Current Assets		469,241,059	577,060,330	352,176,578
NON-CURRENT ASSETS				
Restricted bank deposits	8	24,467,053	20,722,853	25,071,503
Building and equipment	9	29,243,608	23,112,103	23,501,896
Intangible asset		682,588	300,517	-
Deferred tax assets	2, 10	10,057,126	5,114,267	19,972,806
Other non-current assets	11	115,550,412	78,909,735	64,074,381
Total Non-current Assets		180,000,787	128,159,475	132,620,586
TOTAL ASSETS		649,241,846	705,219,805	484,797,164

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

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

		Baht		
	Note	December 31, 2013	December 31, 2012	January 1, 2012
			"Restated"	"Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY	3			
CURRENT LIABILITIES				
Bank overdrafts and short-term loans from financial institutions	12	9,580,519	114,907,945	24,919,604
Trade and other payables	13	117,106,281	179,853,177	76,438,357
Current portion of liabilities	15	2,994,606	629,228	57,142,926
Estimated cost		78,473,700	52,641,507	35,718,312
Retention payables		46,215,544	28,078,128	15,062,325
Advances received	4	63,251,998	81,203,992	136,486,039
Other current liabilities		8,860,668	11,944,141	8,250,692
Total Current Liabilities		326,483,316	469,258,118	354,018,255
NON-CURRENT LIABILITIES				
Long-term loans from financial institutions	14	152,300,000	52,300,000	-
Long-term liabilities under finance lease	15	4,435,087	1,205,479	471,770
Employee benefit obligations	16	5,357,235	4,499,250	3,783,732
Total Non-current Liabilities		162,092,322	58,004,729	4,255,502
Total Liabilities		488,575,638	527,262,847	358,273,757

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

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2013

Baht

	Note	December 31, 2013	December 31, 2012	January 1, 2012
			"Restated"	"Restated"
SHAREHOLDERS' EQUITY				
Share capital				
Authorized share capital:				
400,000,000 ordinary shares, Baht 1 par value		400,000,000	400,000,000	400,000,000
Issued and paid-up share capital:				
126,720,000 ordinary shares in 2013,				
125,579,000 ordinary shares in 2012,				
(January 1, 2012 : 125,000,000				
ordinary shares),				
fully paid-up	18, 19	126,720,000	125,579,000	125,000,000
Premium on ordinary shares	18, 20	56,413,155	54,131,155	52,973,155
Deficit	2	(22,466,947)	(1,753,197)	(51,449,748)
Total Shareholders' Equity		160,666,208	177,956,958	126,523,407
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		649,241,846	705,219,805	484,797,164

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

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

			Baht
	Note	2013	2012
	3		"Restated"
Revenue from sales and services			
Revenues from construction	17	1,077,854,611	894,486,945
Revenue from sales	4	22,905,405	207,098,765
Total		1,100,760,016	1,101,585,710
Cost of sales and services			
Cost of construction	17, 21	(1,053,290,463)	(841,647,495)
Cost of sales	21	(13,190,536)	(140,401,637)
Total		(1,066,480,999)	(982,049,132)
Gross profit		34,279,017	119,536,578
Other income		8,076,124	4,394,519
Administrative expenses	4, 21	(66,527,684)	(54,105,777)
Finance cost	22	(1,484,066)	(4,261,828)
Profit (loss) before income tax		(25,656,609)	65,563,492
Tax income (tax expense)	2, 23	4,942,859	(15,866,941)
Profit (loss) for the year		(20,713,750)	49,696,551
Other comprehensive income (loss)		-	-
Total comprehensive income (loss)		(20,713,750)	49,696,551
Earnings (loss) per share			
Basic earnings (loss) per share	3	(0.16)	0.40
Weighted average number of ordinary shares (Shares)	3	126,403,112	125,107,574

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

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

					Baht
	Note	Issued and paid-up share capital	Premium on ordinary shares	Deficit	Total
				"Restated"	
Beginning balance as at January 1, 2012 - previously reported		125,000,000	52,973,155	(71,422,554)	106,550,601
Effects of changes in accounting policies	2	-	-	19,972,806	19,972,806
Adjusted balance		125,000,000	52,973,155	(51,449,748)	126,523,407
Changes in shareholders' equity					
Increase in ordinary shares	18, 19	579,000	1,158,000	-	1,737,000
Total comprehensive income		-	-	49,696,551	49,696,551
Balance as at December 31, 2012		125,579,000	54,131,155	(1,753,197)	177,956,958
Changes in shareholders' equity					
Increase in ordinary shares	18, 19	1,141,000	2,282,000	-	3,423,000
Total comprehensive loss		-	-	(20,713,750)	(20,713,750)
Balance as at December 31, 2013		126,720,000	56,413,155	(22,466,947)	160,666,208

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

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Baht	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	(25,656,609)	65,563,492
Adjustments to reconcile profit (loss) before income tax to net cash provided by (used in) operating activities		
Depreciation and amortization	10,848,402	11,427,669
Provision incurred from the employee benefit liabilities	857,985	715,518
Estimate cost overrun	16,917	-
Doubtful debt	-	20,239
(Gain) loss on disposal of assets	1,176,841	(1,572,775)
Interest income	(768,822)	(772,661)
Interest expenses	1,484,066	3,761,828
Profit (loss) from operating activities before change in operating assets and liabilities	(12,041,220)	79,143,310
Change in operating assets (increase) decrease		
Trade and other receivables	37,670,403	(21,197,413)
Work in progress	3,457,925	(2,023,048)
Unbilled receivables	36,176,524	(78,955,468)
Cost of property development	(21,703,557)	(89,114,675)
Other current assets	17,025,665	(5,218,835)
Restricted bank deposits	(3,744,200)	4,348,650
Other non-current assets	(16,647,630)	3,056,532
Change in operating liabilities increase (decrease)		
Trade and other payables	(62,792,592)	103,755,631
Estimated cost	25,832,193	16,923,195
Retention payables	18,137,416	13,015,804
Advances received	(17,951,994)	(55,282,048)
Other current liabilities	(3,100,390)	3,693,449
Cash generated (paid) from operations	318,543	(27,854,916)

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

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2013

	Baht	
	2013	2012
Interest received	755,433	929,205
Withholding tax refund	-	5,473,252
Income tax paid	(19,993,047)	(24,383,779)
Net cash used in operating activities	(18,919,071)	(45,836,238)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(11,288,359)	(9,740,484)
Purchase of intangible assets	(492,050)	(329,200)
Disposal of equipment	467,290	1,775,701
Net cash used in investing activities	(11,313,119)	(8,293,983)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in bank overdrafts	2,600,297	(8,601,042)
Increase (decrease) in short-term loans from financial institutions	(107,927,723)	98,589,383
Proceed from long-term loans from financial institutions	100,000,000	78,800,000
Repayment of long-term loans from financial institutions	-	(83,307,000)
Repayment of liabilities under finance lease	(1,630,715)	(444,624)
Proceed from issued ordinary shares	3,423,000	1,737,000
Interest paid	(1,438,370)	(4,112,639)
Net cash provided by (used in) financing activities	(4,973,511)	82,661,078
Net increase (decrease) in cash and cash equivalents	(35,205,701)	28,530,857
Cash and cash equivalents at beginning of year	40,948,904	12,418,047
Cash and cash equivalents at end of year	5,743,203	40,948,904

Non-Cash items:**In year 2013**

- 1.) Cost of property development increased during the year due to interest expenses from loans and depreciation capitalised in the amount of Baht 8.34 million.
- 2.) The Company purchased machinery and vehicles in the amount of Baht 9.42 million by cash payment in the amount of Baht 1.84 million and by entering into a finance lease agreement for the remaining.

In year 2012

- 1.) Cost of property development increased during the year due to depreciation capitalised in the amount of Baht 0.05 million.
- 2.) The Company purchased vehicles in the amount of Baht 1.93 million by cash payment in the amount of Baht 0.46 million and by entering into a finance lease agreement for the remaining.

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

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1. GENERAL INFORMATION

Focus Development and Construction Public Company Limited, “the Company” was incorporated in Thailand under the Civil and Commercial Code on March 30, 1989, and engages as a construction contractor and a real estate business. On October 5, 2004, the Company was listed in the Market for Alternative Investments (mai) on the Stock Exchange of Thailand.

The registered office of the Company is located at 25, 9th Floor, Alma Link Building, Soi Chidlom, Ploenchit Road, Lumpini, Patumwan, Bangkok.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) in accordance with generally accepted accounting principles in Thailand.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The preparation of the financial statements in accordance with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Transition to new and revised TFRS

In the year 2013, the Company has adopted new and revised TFRS which are effective for the financial statements for the period beginning on or after January 1, 2013 as follows:

TAS/TFRS/TFI/FAP's Announcement	Topic
TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosures of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rate
TFRS 8	Operating Segments
TFI 10	Government Assistance — No Specific Relation to Operating Activities
TFI 21	Income Taxes — Recovery of Revalued Non-Depreciable Assets
TFI 25	Income Taxes — Changes in the Tax Status of an Enterprise or its Shareholders
No. 34/2555	Accounting Treatment Guidance for Transfers of Financial Assets

The TAS, TFRS, TFI and FAP's Announcement do not have any significant impacts on the financial statements, except TAS as follows:

Thai Accounting Standard (TAS) No. 12 – Income Taxes

This TAS is the requirement to account for deferred tax assets and liabilities in the Company's financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the assets or liabilities in the statement of financial position and the amount attributed to those assets or liabilities for tax purposes; and the carry forward of unused tax losses.

The Company adopted this TAS with effective from January 1, 2013 onward. The effects of the change were recognized retrospectively in the financial statements and the statements of financial position as at December 31, 2012 and January 1, 2012 and the statement of comprehensive income for the year ended December 31, 2012 were adjusted accordingly. The management estimates that the impact on the financial statements as follows:

	Baht		
	December 31, 2013	December 31, 2012	January 1, 2012
The statements of financial position			
Increase in deferred tax assets	10,057,126	5,114,267	19,972,806
Decrease in deficit	(10,057,126)	(5,114,267)	(19,972,806)
			Baht
	2013	2012	
The statement of comprehensive income			
for the years ended december 31,			
Increase (decrease) in tax income (tax expense)	4,942,859	(14,858,539)	
Increase (decrease) in profit (loss) for the years	4,942,859	(14,858,539)	
Increase (decrease) in basic earnings (loss) per share	0.04	(0.12)	
Increase (decrease) in diluted earnings (loss) per share	0.04	(0.12)	

New and revised Thai Financial Reporting Standards not yet effective

The Company has not yet adopted the new and revised Thai Financial Reporting Standards as follows:

- a) Thai Accounting Standards (TAS), Thai Financial Reporting Standard (TFRS), Thai Financial Reporting Interpretations (TFRI) and Thai Interpretations (TI) which are effective for the financial statements for the period beginning on or after January 1, 2014 as follows:

TAS/TFRS/TFRI/TI	Topic
TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rate
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Venture
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets
TFRS 2 (revised 2012)	Share — Based Payments
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments
TFRI 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRI 4	Determining whether an Arrangement contains a Lease
TFRI 5	Rights to Interests arising from Decommission, Restoration and Environmental Rehabilitation Funds
TFRI 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies
TFRI 10	Interim Financial Reporting and Impairment
TFRI 12	Service Concession Arrangements
TFRI 13	Customer Loyalty Programmes

TAS/TFRS/TFRI/TI	Topic
TFRI 17	Distributions of Non-cash Assets to Owners
TFRI 18	Transfers of Assets from Customers
TI 15	Operating Leases-Incentives
TI 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TI 29	Service Concession Arrangements: Disclosures
TI 32	Intangible Assets-Web Site Costs

- b) Thai Financial Reporting Standard (TFRS) which is effective for the financial statements for the period beginning on or after January 1, 2016 as follows:

TFRS	Topic
TFRS 4	Insurance Contracts

The management of the Company is assessing the impacts of these TAS, TFRS, TFRI and TI on the financial statements for the year in which they are initially applied.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The measurement bases used in preparing the financial statements

Other than those disclosed in other outlines in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

Revenues

Revenue excludes value added taxes or other sales taxes and is arrived at after deduction of trade discounts.

Revenues from sale of property

Sales of residential condominium units are recognised as revenue when the construction works are completed and the significant risks and rewards of ownerships have been transferred to the buyer.

Revenues from construction

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of comprehensive income in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognized immediately in the statement of comprehensive income.

The completed part of construction, which has not yet been delivered for acceptance or for billing, is recorded as unbilled receivables.

Work in progress

Work in progress is stated at cost less allowance for impairment losses (if any).

Rental income

Rental income under operating leases is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income. Contingent rentals are recognized as income in the accounting period in which they are earned.

Other income and interest income are recognized as it accrues.

Expenses

Expenses are recognized in the statement of comprehensive income as it accrues.

Operating leases

Payments made under operating leases are recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognized in the statement of comprehensive income as an integral part of the total lease payments made. Contingent rentals are charged to the statement of comprehensive income in the accounting period in which they are incurred.

Finance costs

Interest expenses and similar costs are charged to the statement of comprehensive income in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognized in the statement of comprehensive income using the effective interest rate method.

Employee benefits**Short-term benefits**

The Company recognized salaries, wages, bonus and social security contribution as expenses when incurred.

Post-employment benefits — defined benefit plan

The Company has established a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by the contribution from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

Post-employment benefits — defined benefit plan

The employee benefits liabilities for severance payment as the labor law is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service by employees is recognized in the statement of comprehensive income on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) in the profit or loss in the period in which they arise.

Cash and cash equivalents

Cash and cash equivalents are cash on hand, cash at bank and short-term investments with high liquidity net of deposits at bank on obligation and bank deposits with a maturity date over 3 months.

Trade and other receivables

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The Company recorded allowance for doubtful accounts that is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

In determined an allowance for doubtful accounts, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Cost of property development

Cost of property development are stated at the lower of cost or net realisable value. Cost of property development is netted of cost of sales. Project costs consisting of acquisition cost of land, development expenses, design fees and construction costs, utilities and direct expenses of the project including interest expense of borrowing for the acquisition of project development before the project is completed.

The details of cost calculation

- | | |
|--------------|---|
| Land | <ul style="list-style-type: none"> ● Cost of land and development using the average method, calculating based on salable area for each project. |
| Construction | <ul style="list-style-type: none"> ● Construction cost consists of the cost of construction, public utility costs, calculating based on salable area. The costs of construction of condominiums and borrowing cost capitalised to the project are allocated based on the actual cost incurred. |

Net realisable value represents the estimated normal selling price less estimated costs to sell.

Direct selling expenses such as specific business tax and transfer fee are recognized when sale incurs.

The Company recognises loss on diminution in value of projects and loss on impairment (if any) in profit or loss.

In determining the cost of sales of property development, the anticipated total development costs (taking into account actual costs incurred to date) are attributed based on the basis of the salable area.

Cost of project sold estimates these costs based on their business experience and revisit the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

Capitalization of interest cost

Interest cost on borrowing, for use in construction of the projects, was capitalized as part of the cost of those assets until the projects was completed or when the construction was suspended. The capitalization of interest shall be resumed when the project is re-activated.

Building and equipment

Building and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation

Depreciation is computed by the straight—line method based on the estimated useful lives of assets as follows:

	Years
Construction	5
Machinery and equipment	5
Furniture and office equipment	5
Vehicles	5

Depreciation is included in determining income and no depreciation is provided to construction in progress.

Repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits will be more than one period. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are included in operating profit.

The direct expenses concerned with the assets include interest paid from the borrowing for the acquisitions of the above assets before completion of the assets are recognized as cost of the assets.

Intangible asset

Intangible asset is stated at cost less accumulated amortization and allowance for decline in value (if any), which is computed by the straight—line method based on the useful lives of asset 5 years.

Impairment of assets

The Company will consider the impairment of assets when there are incidents or changes in the environment which indicate that the book value of the assets is higher than the recoverable amount (the higher of net selling price of the particular assets or its value in use). The impairment review, will consider the impairment of an individual asset or a "cash generating unit".

In the case that the book value of the asset is higher than its recoverable amount, the Company will recognize the loss from impairment of the asset in the statement of comprehensive income. The Company then will reverse the loss from impairment of assets previously recognized when there are indications that impairment will discontinue or will diminish by such recording in other income. The loss from the revision, however, must not exceed the book value of the assets (net of depreciation and amortization) as if the Company has never before recognized loss from impairment of assets in the previous year.

Finance lease

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

Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Significant judgements and estimates are as follows:

Commercial disputes and litigation

The Company has contingent liabilities as a result of commercial disputes and litigation. The Company's management has used judgment to assess the results of the commercial disputes and litigation and believes that no loss will be occurred. Therefore no provision is recorded as at the statement of financial position date. However, actual results could differ from the estimates.

Estimated construction project costs

The Company estimates costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and other miscellaneous costs to be incurred to completion of service, taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Provision for losses on construction projects

Management applies judgement in estimating the loss they expect to be realised on each construction project, based on estimates of anticipated costs that take into account the progress of the project and actual costs incurred to date, together with fluctuations in costs of construction materials, labour and the current situation.

Provision for penalty from delay delivery

The Company has provision incurred from delay delivery. The management applied judgement in estimating the penalty based on contract rate and the period of delay project work. The Company has recorded provision for penalty from delay delivery in the financial statements. However, actual results could differ from the estimates.

Income tax

Income tax expense for the year comprises current and deferred tax.

Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Basic earnings (loss) per share

Basic earnings (loss) per share for the years ended December 31, 2013 and 2012 is calculated by dividing profit (loss) for the years by the weighted average number of ordinary shares outstanding during the years as follows:

For the years ended December 31, 2013 and 2012.

	2013	2012
Profit (loss) for the years (Baht)	(20,713,750)	49,696,551
Weighted average number of ordinary shares (shares)		
Issued ordinary shares at the beginning of the years	125,579,000	125,000,000
Effect of shares issued during the years	824,112	107,574
Weighted average number of ordinary shares (shares)	126,403,112	125,107,574
Basic earnings (loss) per share (Baht)	(0.16)	0.40

Diluted earnings (loss) per share

Diluted earnings (loss) per share for the years ended December 31, 2013 and 2012 is calculated by dividing the profit (loss) of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the years plus the weighted average number of shares to be issued for the exercise of all dilutive potential ordinary shares into ordinary shares, without any consideration. The calculation assumes that the holders will exercise dilutive potential ordinary shares into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, the average fair value of the Company's ordinary shares for the years ended December 31, 2013 and 2012 is lower than the exercise price. Therefore, the Company does not include the result of equivalent ordinary shares for calculating diluted earnings (loss) per share.

The basic earnings (loss) per share and the diluted earnings (loss) per share are as follows:

	For the years ended December 31, 2013 and 2012					
	Baht		Shares		Baht per share	
	Weighted average number of					
	Profit (loss)		Ordinary shares		Earnings (loss) per share	
	2013	2012	2013	2012	2013	2012
Earnings (loss) per share						
Basic earnings (loss) per shares	(20,713,750)	49,696,551	126,403,112	125,107,574	(0.16)	0.40
Effect of dilutive potential ordinary shares	-	-	-	-	-	-
Diluted earnings (loss) per share	(20,713,750)	49,696,551	126,403,112	125,107,574	(0.16)	0.40

4. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company had transactions with related parties. These parties were related through common shareholders and/or directorships. The significant transactions with related parties as included in the financial statements are determined at the prices in line occurring in the normal course of business based on the market price in general or the price as stipulated in the agreement if no market price exists.

The significant balances of assets, liabilities, and other transactions that occurred with those parties are shown as follows:

The significant related party transactions for the years ended December 31, 2013 and 2012 were as follows:

	Baht	
	2013	2012
Deposits and unearned revenues		
Directors	540,500	647,500
Revenue from sale	-	
Knight Assets (Thailand) Limited	-	6,141,475
Director		6,699,000

The significant balances with related parties as at December 31, 2013 and 2012 were as follows:

	Baht	
	2013	2012
Deposits and unearned revenues		
Director	1,363,860	-
Perasia (Thailand) Limited	1,028,157	120,000

Key management personnel compensation

Key management personnel compensation for the year ended December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Short-term benefits	9,243,412	8,456,100
Post-employment benefits	1,044,996	424,902
Total key management personnnel compensation	10,288,408	8,881,002

The Company opened a presale condominium Focus Ploentchit which has a transaction with 2 related persons as at December 31, 2013 with the sale amount and price condition as follows:

In Thousands Baht		
Value of contract	Advance received	Price Condition
21,519	2,392	Same price and condition as normal business

Nature of relationship

Name	Country	Relation	Type of relation
Knight Assets (Thailand) Limited	Thailand	Related company	Co-director
Perasia (Thailand) Limited	Thailand	Related company	Co-director

Bases of measurement for inter company revenues and expenses

	Pricing Policies
Revenue from sales	Same price and condition as normal business

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Cash on hand	1,250,408	1,504,449
Cash at bank	4,492,795	39,444,455
Total	5,743,203	40,948,904

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables as at December 31, 2013 and 2012 consisted of:

As at December 31, 2013 and 2012, the Company had outstanding balances of trade accounts receivable aged by number of months as follows:

	Baht	
	2013	2012
Trade accounts receivable	90,205,147	128,359,073
Others	780,385	83,472
Total	90,985,532	128,642,545

	Baht	
	2013	2012
Less than or equal to 3 months	81,389,492	108,887,193
More than 3 to 6 months	-	19,471,880
More than 6 to 9 months	8,815,655	-
Total	90,205,147	128,359,073

7. COST OF PROPERTY DEVELOPMENT

Costs of property development as at December 31, 2013 and 2012 were as follows:

	Baht		
	Focus on Saladaeng	Focus Ploenchit	Total
Cost			
As at January 1, 2012	136,214,928	-	136,214,928
Purchase/transfer in	38,572,694	209,073,913	247,646,607
Cost of sales	(158,531,932)	-	(158,531,932)
As at December 31, 2012	16,255,690	209,073,913	225,329,603
Purchase/transfer in	58,940	33,464,006	33,522,946
Cost of sales	(11,819,389)	-	(11,819,389)
As at December 31, 2013	4,495,241	242,537,919	247,033,160
Net book value as at December 31, 2012	16,255,690	209,073,913	225,329,603
Net book value as at December 31, 2013	4,495,241	242,537,919	247,033,160

The Company's land which included existing building and to be constructed in the future of project Focus Ploenchit were mortgaged to secure bank overdraft in the amount of Baht 5 million, long-term loan in the amount of Baht 335 million and letter of guarantee facilities in the amount of Baht 25 million (see Notes 12 and 14).

8. RESTRICTED BANK DEPOSITS

Restricted bank deposits with obligation as at December 31, 2013 in the amount of Baht 24.47 million (In year 2012: Baht 20.72 million), were pledged as collateral for credit lines from financial institution as follows (see Notes 12 and 14):

- 1) Bank overdraft facilities in the amount of Baht 3 million.
- 2) Projects' facilities of promissory note in the amount of Baht 155.00 million (In year 2012: Baht 249.00 million).
- 3) Letter of guarantee facilities in the amount of Baht 588.07 million (In year 2012: Baht 661.53 million).

9. BUILDING AND EQUIPMENT

Building and equipment as at December 31, 2013 and 2012 consisted of:

	Baht				
	Construction	Machinery and equipment	Furniture and office equipment	Vehicles	Total
Cost					
As at January 1, 2012	751,087	67,733,940	10,207,136	8,144,920	86,837,083
Purchases/transfer in	-	7,213,502	1,937,317	2,062,000	11,212,819
Disposals/transfer out	-	(260,210)	(220,398)	-	(480,608)
Sale	-	(4,672,897)	-	-	(4,672,897)
As at December 31, 2012	751,087	70,014,335	11,924,055	10,206,920	92,896,397
Purchases/transfer in	-	14,721,071	2,640,178	1,153,000	18,514,249
Disposals/transfer out	-	(2,037,105)	(136,197)	-	(2,173,302)
Sale	-	(5,747,406)	-	-	(5,747,406)
As at December 31, 2013	751,087	76,950,895	14,428,036	11,359,920	103,489,938
Accumulated depreciation					
As at January 1, 2012	751,086	50,381,408	6,526,606	5,676,087	63,335,187
Depreciation	-	8,927,806	1,564,674	906,506	11,398,986
Disposals/transfer out	-	(149,894)	(127,092)	-	(276,986)
Sale	-	(4,672,893)	-	-	(4,672,893)
As at December 31, 2012	751,086	54,486,427	7,964,188	6,582,593	69,784,294
Depreciation	-	7,745,358	1,766,378	1,226,685	10,738,421
Disposals/transfer out	-	(412,776)	(116,205)	-	(528,981)
Sale	-	(5,747,402)	-	-	(5,747,402)
As at December 31, 2013	751,086	56,071,607	9,614,361	7,809,278	74,246,332
Net book value					
Owned assets	1	15,527,908	3,959,867	1,096,746	20,584,522
Assets under finance leases	-	-	-	2,527,581	2,527,581
As at December 31, 2012	1	15,527,908	3,959,867	3,624,327	23,112,103
Owned assets	1	13,383,894	4,813,674	1,390,474	19,588,043
Assets under finance leases	-	7,495,397	-	2,160,168	9,655,565
As at December 31, 2013	1	20,879,291	4,813,674	3,550,642	29,243,608

	Baht	
	2013	2012
Depreciation for the years ended December 31		
was included in		
Cost of property development	35,067	48,477
Cost of construction	6,406,591	5,838,961
Administrative expenses	4,296,763	5,511,548
Total	10,738,421	11,398,986

As at December 31

the carrying amount before accumulated depreciation

which have been depreciated and still in use

55,675,118 33,123,670

As at December 31, 2013				
			Service rate per month	
	Lessor	Period	(In Million Baht)	Note
Office rental and service agreement	Third party	3 years	0.35	-

10. DEFERRED TAX

Deferred tax as at December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Deferred tax assets	10,057,126	5,114,267

Movements in deferred tax assets during the years were as follows:

	Baht		
	At January 1, 2013	Profit (loss)	At December 31, 2013
Deferred tax assets			
Allowance for doubtful accounts	3,927,116	-	3,927,116
Provision	899,850	174,980	1,074,830
Unearned revenue	287,301	(287,301)	-
Tax loss carry forward	-	5,055,180	5,055,180
Total	5,114,267	4,942,859	10,057,126

	Baht		
	At January 1, 2012	Profit (loss)	At December 31, 2012
Deferred tax assets			
Allowance for doubtful accounts	4,495,428	(568,312)	3,927,116
Provision	870,258	29,592	899,850
Unearned revenue	3,461,833	(3,174,532)	287,301
Tax loss carry forward	11,145,287	(11,145,287)	-
Total	19,972,806	(14,858,539)	5,114,267

11. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Deposit	4,342,478	3,189,187
Retention receivables	67,430,459	51,326,988
Withholding tax	57,037,734	37,044,687
Other assets	6,305,321	6,914,453
Total	135,115,992	98,475,315
Less Allowance for doubtful debts	(19,565,580)	(19,565,580)
Net	115,550,412	78,909,735

Retention receivables are warranty monies deducted retention by the customers at the rate of 5% - 10% of the contract amount. Retention for the not completed construction project will be returned to the Company after the Company completed the work and upon expiry of the warranty period as stated in the contract.

Movement of allowance for doubtful debts for the years ended December 31, 2013 and 2012 were as follows:

	Baht	
	2013	2012
Beginning balance	19,565,580	19,545,341
Add Doubtful debts	-	20,239
Ending balance	19,565,580	19,565,580

12. BANK OVERDRAFTS AND SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Bank overdrafts and short-term loans from financial institutions as at December 31, 2013 and 2012 consisted of:

		Baht
	2013	2012
Bank overdrafts	2,600,297	-
Promissory notes	-	100,000,000
Promissory notes - against payment	6,980,222	14,907,945
Total	9,580,519	114,907,945

The Company has credit facilities with financial institutions consisted of:

Type	Facilities (Million Baht)		Referred interest rate (% per annum)	
	2013	2012	2013	2012
Bank overdrafts	23.00	23.00	MOR, Fixed deposit	MOR, Fixed deposit
Letter of guarantee	798.84	991.68	-	-
Promissory notes	155.00	283.00	MLR, MOR	MLR, MOR
Total	976.84	1,297.68		

As at December 31, 2013 the Company has collateral as follows:

Type	Facilities	
	(Million Baht)	Collateral
Bank overdrafts	3.00	Company's fixed deposit (see Note 8).
	15.00	Personal guarantee by a third party.
	5.00	Mortgaged by Focus Ploenchit project (see Note 7).
Letter of guarantee	638.67	Company's fixed deposit (see Note 8) and/or transferred account receivable rights received from some projects.
	25.00	Mortgaged by Focus Ploenchit project (see Note 7).
	135.17	No collateral.
Promissory notes	155.00	Company's fixed deposit (see Note 8) and/or transferred account receivable rights received from some projects.

A third party are guarantee without charging for compensation from collateral and guarantee.

13. TRADE AND OTHER PAYABLES

Trade and other payables as at December 31, 2013 and 2012 consist of:

	Baht	
	2013	2012
Accounts payable	103,393,093	163,538,528
Accrued expenses	13,713,188	16,314,649
Total	117,106,281	179,853,177

14. LOANS FROM FINANCIAL INSTITUTIONS

Loans from financial institutions as at December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Loans from financial institutions	152,300,000	52,300,000
Less Current portion	-	-
Long-term loans from financial institutions	152,300,000	52,300,000

The details of loans from financial institutions:

Lenders	Facilities (Million Baht)	Period	Interest rate per annum	Repayment
Bank	335.00	June. 2012 - June. 2015	MLR-1.25	Payment of principal at 70 percent from sale contract when transfer right of residential condominium unit and interest paid on a monthly basis

Movements of loans from financial institutions for the years ended December 31, 2013 and 2012 were as follows:

	Baht	
	2013	2012
Beginning balance	52,300,000	56,807,000
Increase	100,000,000	78,800,000
Decrease	-	(83,307,000)
Ending balance	152,300,000	52,300,000

The Company mortgaged land together with construction at Focus Ploenchit project as collateral for loans. (see Note 7).

15. LIABILITIES UNDER FINANCE LEASE

Liabilities under finance lease as at December 31, 2013 and 2012 consisted of:

				Baht
				2013
Year	Present value	Deferred interest	Minimum lease payment	
1	2,994,606	374,828	3,369,434	
2 - 5	4,435,087	213,374	4,648,461	
Total	7,429,693	588,202	8,017,895	

				Baht
				2012
Year	Present value	Deferred interest	Minimum lease payment	
1	629,228	68,544	697,772	
2 - 5	1,205,479	72,589	1,278,068	
Total	1,834,707	141,133	1,975,840	

The Company entered into the finance lease agreements for machineries and vehicles. The payment is on monthly basis in the amount of Baht 0.28 million per month. The current portion of liabilities under the finance lease agreements in the amount of Baht 2.99 million (In year 2012: Baht 0.63 million) was presented under current liabilities.

16. EMPLOYEE BENEFITS

Movement of the present value of employee benefit obligations for the years ended December 31, 2013 and 2012 as follows:

			Baht
			2013
			2012
Post-employment benefit plan			
Present value of employee benefit obligations as at January 1	4,499,250	3,783,732	
Employee benefit expenses in the statements of comprehensive income :			
Current service cost	1,366,048	823,034	
Interest cost	144,828	151,348	
Actuarial gain recognised	(564,739)	(258,864)	
Benefits paid during the year	(88,152)	-	
Present value of employee benefit obligations as at December 31	5,357,235	4,499,250	

Employee benefits obligations in the statements of financial position as at December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Post-employment benefit plan		
Present value of obligation	5,357,235	4,499,250
Employee benefits obligations - recognised in statements of financial position	5,357,235	4,499,250

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as more than 10 years to receive severance payment not less than 300 days or 10 months of the last month salary.

The principal actuarial assumptions (expressed as weighted averages) are as follows:

	2013	2012
Discount rate	3.681%	4.00%
Future salary increases	5.00%	5.00%
Turnover rate	22.90%	22.28%
Disability rate	5.00% of Thai Mortality Ordinary Table	5.00% of Tzhai Mortality Ordinary Table
Retirement age	60 years	60 years
Mortality rate	Thai Mortality Ordinary Table 2008	Thai Mortality Ordinary Table 1997

17. CONSTRUCTION CONTRACTS

As at December 31, 2013 and 2012 construction contracts were as follows:

	Baht	
	2013	2012
Revenue from construction recognized as revenue in the year **	1,077,854,611	894,486,945
Cost of construction incurred and recognized profit (less recognized loss) up to the end of the year *	2,657,467,029	1,669,238,848
Advances received	43,609,674	76,336,368
Gross amount due from customers for contract work presented as an asset	113,905,289	157,009,251
Gross amount due to customers for contract work presented as a liability	-	-
Retentions	54,122,721	38,019,250

Note: The amount presented above is not included value added tax.

* Accumulated amount of project recognized up to the end of the year.

** Amount of project recognized during the year.

18. SHARE CAPITAL

The Company issued 192,000 ordinary shares offering to exercise warrants of directors and employees of 192,000 warrants at par value of Baht 3 each and the Company registered the change of paid-up share capital with the Ministry of Commerce on February 6, 2013 from Baht 125.58 million to Baht 125.77 million.

The Company issued 949,000 ordinary shares offering to exercise warrants of directors and employees of 949,000 warrants at par value of Baht 3 each and the Company registered the change of paid-up share capital with the Ministry of Commerce on May 8, 2013 from Baht 125.77 million to Baht 126.72 million.

The Company issued 579,000 ordinary shares offering to exercise warrants of directors and employees of 579,000 warrants at par value of Baht 3 each and the Company registered the change of paid-up share capital with the Ministry of Commerce on November 7, 2012 from Baht 125.00 million to Baht 125.58 million.

19. WARRANTS

On June 16, 2009, the Company issued the warrants as follows:

- 1) Issuance and sales of warrants of 62,499,638 units to the Company's existing shareholders at a ratio 2 ordinary shares per 1 unit of warrant. The offering price was Baht 0 per unit. Term of warrants is not exceeding 5 years from the date of issuing of warrants. Exercise price is fixed at Baht 3 per share and exercise ratio of 1 unit of warrant to purchase ordinary shares of 1 share. The warrant holders are able to exercise the warrants on the last business day of January, April, July, and October throughout the term of the warrants. The first exercise date was on July 31, 2009, and the last exercise date shall be at the end of term of warrants, which is on June 15, 2014.
- 2) Issuance and sales of warrants of 12,500,000 units to the Company's directors and employees in accordance with the Employee Stock Option Program (ESOP). The offering price was Baht 0 per unit. Term of warrants is not exceeding 5 years from the date of issuing of warrants at the exercise price is fixed at Baht 3 per share and exercise ratio of 1 unit of warrant to purchase ordinary shares of 1 share. The warrant holders are able to exercise the warrants on the last business day of January, April, July, and October throughout the term of the warrants. The first exercise date was on July 31, 2010, and the last exercise date shall be at the end of term of warrants, which is on June 15, 2014.

Warrants are exercisable to ordinary shares, which is scheduled on the last business day of January, April, July, and October of each year. The outstanding warrants which are not yet exercised as follows:

Year	The warrants which are not yet exercised
2012	74,420,638
2013	73,279,638

20. SHARE PREMIUM

Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

21. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2013 and 2012 were as follows:

	Baht	
	2013	2012
Salary and employee benefits	189,544,545	143,775,856
Rental and service expense	8,279,533	7,747,041
Depreciation and amortization	10,848,402	11,427,669

22. FINANCE COSTS

Finance costs for the years ended December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Interest expenses	9,790,320	3,761,828
Bank charge	-	500,000
Total	9,790,320	4,261,828
Interest capitalised	(8,306,254)	-
Net	1,484,066	4,261,828

23. INCOME TAX

Corporate income tax for the years ended December 31, 2013 and 2012 was calculated at a rate specified by the Revenue Department on net earnings after adjusting certain conditions according to the Revenue Code. The Company recorded the corporation income tax as expense for the years and recorded the accrued portion as liabilities in the statements of financial position.

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated December 14, 2011 grants a reduction in the corporate income tax rate from 30% to 23% on net profit for the accounting period beginning on or after January 1, 2012, and will be reduced to 20% on net profit for the two consecutive accounting periods beginning on or after January 1, 2013 onwards.

Income tax expense for the years ended December 31, 2013 and 2012 consisted of:

	Baht	
	2013	2012
Current tax expense		
Current years	-	(1,008,402)
Deferred tax expense		
Movements in temporary differences	4,942,859	(12,253,390)
Decrease in tax rate	-	(2,605,149)
Tax income (tax expense)	4,942,859	(15,866,941)

Reconciliation of effective tax rate

	2013		2012	
	Tax rate		Tax rate	
	(%)	Baht	(%)	Baht
Profit (loss) before income tax		(25,656,609)		65,563,492
Income tax using the corporate tax rate	20	5,131,322	(23)	(15,079,603)
Revenues considered for tax purposes		-		(330,097)
Expenses not deductible for tax purposes		(595,744)		(255,120)
Revenues granted income tax exemption		404,779		3,539,046
Addition expenses deductible for tax purposes		114,823		-
Deficit for tax purposes		-		11,117,372
Loss for the year		(5,055,180)		-
Current tax	-	-	(2)	(1,008,402)
Movement in temporary differences		4,942,859		(12,253,390)
Decrease in tax rate		-		(2,605,149)
Tax income (tax expense)	19	4,942,859	(24)	(15,866,941)

24. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2013 the Company had commitments and contingent liabilities as follows:

24.1 Letters of guarantee issued by banks of Baht 385.70 million (see Note 12).

24.2 Commitments for payment under agreement as follows:

24.2.1 Payment under office rental and service agreement (see Note 9) as follows:

Period	Rental and service expense (In Thousands Baht)
1 year	2,616

24.2.2 Payment under construction contract in the amount of Baht 74.87 million.

24.2.3 Payment under property development project in the amount of Baht 18.97 million.

24.2.4 Payment under compensation for sale as specific rate in the contract.

24.2.5 Payment under service agreement in the amount of Baht 0.38 million per month.

24.3 The Company was sued, for repayment of goods in the amount of Baht 1.40 million. The Court ordered the Company to pay in the amount of Baht 0.18 million with interest. The Appeal Court affirmed the Civil Court's order. At present, the case is in the process of the Supreme Court.

25. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent manner in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the directors of the Company.

The Company operate a construction contractor and development of real estate business. The Company operate in a single geographic area-Thailand for the years ended December 31, 2013 and 2012 were classified as follows:

	Construction		developmen		Total	
	2013	2012	2013	2012	2013	2012
Revenues	1,077,854,611	894,486,945	22,905,405	207,098,765	1,100,760,016	1,101,585,710
Cost	(1,053,290,463)	(841,647,496)	(13,190,536)	(140,401,637)	(1,066,480,999)	(982,049,133)
Gross profit	24,564,148	52,839,449	9,714,869	66,697,128	34,279,017	119,536,577
Other income					8,076,124	4,394,519
Administrative expenses					(66,527,684)	(54,105,777)
Finance cost					(1,484,066)	(4,261,828)
Profit (loss) before income tax					(25,656,609)	65,563,491
Tax income (tax expense)					4,942,859	(15,866,941)
Profit (loss) for the year					(20,713,750)	49,696,550
Other comprehensive income (loss)					-	-
Total comprehensive income (loss)					(20,713,750)	49,696,550

	Baht					
	Construction		Property Development		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Trade and other						
receivables	90,985,532	128,642,545	-	-	90,985,532	128,642,545
Work in progress	4,414,668	7,872,593	-	-	4,414,668	7,872,593
Unbill receivables	109,473,703	145,650,227	-	-	109,473,703	145,650,227
Cost of property	-	-	247,033,160	225,329,603	247,033,160	225,329,603
development						
Other non-current						
assets	114,885,137	78,239,351	665,275	670,384	115,550,412	78,909,735
Total assets	401,543,411	479,219,818	247,698,435	225,999,987	649,241,846	705,219,805
Liabilities						
Trade and other	112,475,651	178,605,543	4,630,630	1,247,634	117,106,281	179,853,177
payables						
Estimated cost	73,464,329	47,726,086	5,009,371	4,915,421	78,473,700	52,641,507
Advance received	43,609,675	76,336,369	19,642,323	4,867,623	63,251,998	81,203,992
Loans from financial	9,580,519	14,907,945	152,300,000	152,300,000	161,880,519	167,207,945
institutions						
Total liabilities	306,993,314	363,932,169	181,582,324	163,330,678	488,575,638	527,262,847

26. DISCLOSURES OF FINANCIAL INSTRUMENTS

The Company does not speculate or engage in the trading of any derivative financial instruments.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

Credit risk

Credit risk is the risk arising from failure of customers or counter parties to meet their contractual obligations. Credit risk occurs when the party fails to fulfill the contractual agreement, which may eventually cause financial losses. The Company has determined a risk protection policy through analysis of the customer and counter parties' financial status, and also defines the policy for credit approval and debt collection period.

Credit of the Company is the credit for construction services and trade provided to the customers that is the general customary trading practice.

Interest rate risk

Interest rate risk is the uncertainty in value of financial assets and liabilities or net interest income as a result of the fluctuation of the market interest rate.

Most of the financial assets and liabilities of the Company are floating interest rates, which are based on market rates such as the interest rate for the prime clients of a commercial bank, savings interest rate or other benchmark floating rates.

Fair value

Fair value is the value which the Company expects to receive from disposing of financial assets, or the value that the Company expects to pay for redemption of financial debt by using the market value or the appraisal value of the general financial market methodology.

The fair value of financial assets and liabilities is close to the carrying value in the financial statements (Approximate Carrying Value).

27 RECLASSIFICATION

The Company has reclassified certain accounts in the statement of financial position as at December 31, 2012 to conform with the presentation of the financial statements of this year which consisted of:

	Baht		
	Before reclassification	Reclassification	After reclassification
Statement of financial position			
Cash and cash equivalents	30,588,904	10,360,000	40,948,904
Other non-current assets	89,259,735	(10,350,000)	78,909,735
Trade and other payables	179,843,177	10,000	179,853,177

28. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 27, 2014.

1. Audit Fee

The Company and its subsidiaries paid the following audit fees:

- The Company's auditor, totaling..0... Baht in the last financial year.
- The Auditor's Audit firm and individual or firms relating to the Auditor and Audit firm, totaling.....500,000.-..... baht in the last financial year.

2. Non-Audit Fees

Company and its subsidiaries paid for other services, namely: ..None...

- The Company's Auditor, totaling ...0...Baht in the previous financial year, and future payments arising from agreed, but unfinished services in the past financial year totaling ..0..Baht.
- The Auditor's Audit firm and individual or firms relating to the Audit and Audit Company, totaling..0...Baht in the last financial year, and future payments arising from agreed but unfinished services in the past financial year totaling..0..Baht.



Focus

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