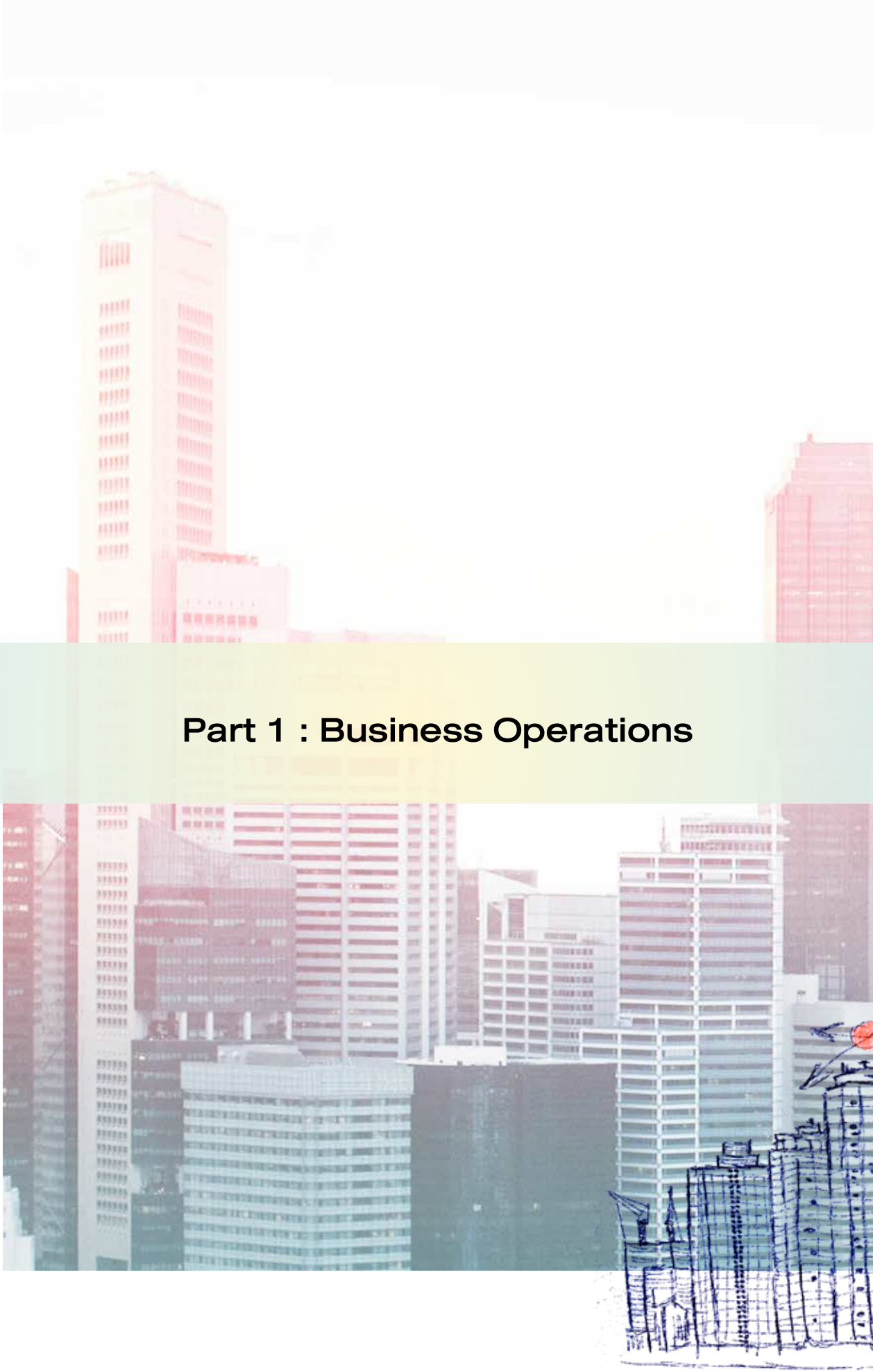




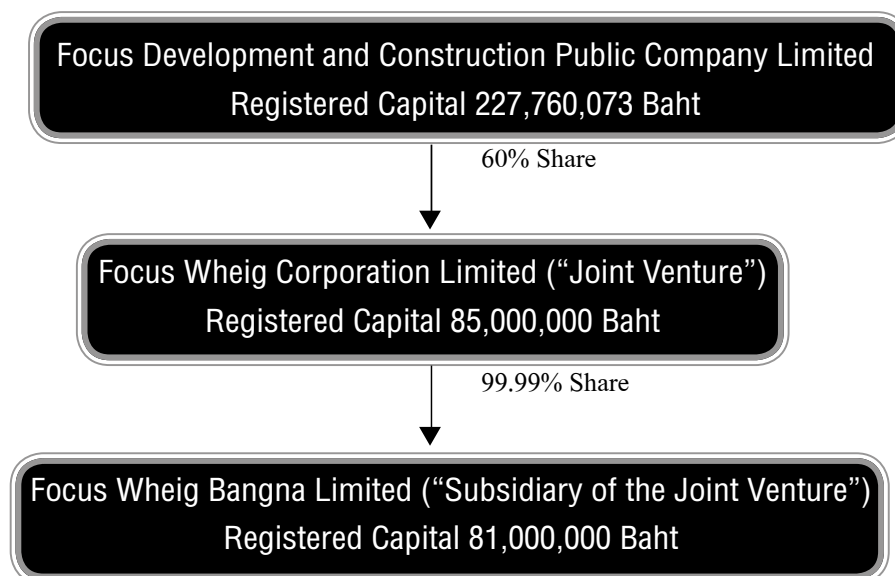
Part 1 : Business Operations

1.1 Business Policy and Overview

Focus Development and Construction Public Company Limited operates the construction business since 1989 in various types of construction, e.g. office buildings, condominiums, hotels, resorts, etc. In 2010, the Company has expanded the business to the property development with “Focus on Saladaeng” as the first development project, the construction of which has been completed in 2011, and “Focus Ploenchit” as the second development project, the construction of which has been completed in 2015.

However, the Company has considered that both the risks of construction and property development businesses at present are higher in various areas, especially in terms of competition, marketing and cost. Therefore, in 2016 the Company then expanded its business to invest in the waste management project through Focus Wheig Bangna which is a subsidiary of the joint venture with 60% owned by the Company and 40% owned by Wheig Asia Limited, Hong Kong in order to operate the waste management business. The said project shall earn the main income from the recycling business, bio-fertilizer, Refuse Derived Fuel or RDF business. In addition, the Company also plans to have the waste to electricity business in the next stage. Presently, the plant is under the construction on the land of 23 Rai 16 Square Wa of Focus Wheig Bangna Limited, in Amphur Plang yao, Changwad Chachoengsao. It is expected that the construction of the said plant will be completed and will start the operation approximately in the second quarter of 2019.

Shareholding Structure of the Company in the Joint Venture and Subsidiary of the Joint Venture



1.1.1 Vision, Mission and Value of the Company

In order to develop the Company for sustainable growth, the Board of Directors' Meeting No. 3/2014, held on 13 August 2014 has approved the new Vision, Mission and Value of the Company as follows:

Vision

To be professional in construction and property development businesses with the participation of all stakeholders and with the responsibilities to community, society and environment in order to develop the Company for sustainable growth.

Mission

1. Develop the Company's working systems and personnel in order to be professional in construction and property development businesses
2. Support and encourage the rights and duties of all relevant stakeholders in participating in business operations of the Company
3. Support and encourage the Company's personnel to be responsible to community, society and environment

Value

F = Focus on Customers' Satisfaction

O = Outperform the Market as Professional

C = Corporate Social Responsibility for Community, Society and Environment

U = Understand the Roles and Participation of All Stakeholders

S = Sustainable Development for Sustainable Growth of the Company

1.1.2 Significant Changes and Development

1989

Focus Development and Construction Public Co., Ltd. was established on 30 March 1989 under the name of “Pasuput Co., Ltd.” operating general construction projects for both public and private sectors.

2002-2004

On 4 November 2002, the Company was converted into a public limited Company and was listed in the Stock Exchange of Thailand on 5 October 2004 under the registered securities name of “FOCUS”.

2008

5 November 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 19 November 2008.

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 Baht., and the remaining loss was 52,973,155 Baht on 23 April 2009.

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

1. Right Offering Warrant for the existing shareholders:

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

2. ESOP Warrant for directors and employees:-

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

June: The Company provided the right offering warrant for the existing shareholders with the total of 62,499,638 units, with the balance of 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 3 July 2009, 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 the Market for Alternative investment or MAI.

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 Baht.

October:

- 12 October 2009, the Extraordinary General Meeting of Shareholders No. 1/2009, held on 12 October 2009 (EGM No.1/2009) passed a resolution to make a change of the share price for the private placement of 200,000,000 shares from 3 Baht per share to 2 Baht per share.
- The EGM No.1/2009 also passed a resolution to change Article 14 of the Company's Articles of Association on the number of directors from 5-11 directors to 5-12 directors and appointed two new directors, i.e. Mr. Tanakorn Leelasiri and Mr. Tanavich Jindapradis who were registered with the Ministry of Commerce on 26 October 2009.

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

In addition, the Company entered into construction contract amendments No. 7-26 of the Private Residence Bangkok with the value of 42.63 Million Baht.

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 Baht.

May: The Company worked on the 14-storey condominium project in cooperated with Wilailuck Development Co., Ltd. with the value of 49.37 Million Baht.

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 Baht.

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 Baht.

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 Baht.
- The Company held the grand opening for the first project of the property development business under the name of "Focus on Saladaeng Condominium" at Dusitthani Hotel.

In addition, the Company entered into another amendment to construction agreement of the Private Residence Bangkok with the value of 17.12 Million Baht.

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 Baht. On July, the Company also signed a construction contract of the architecture project with the value of 49.80 Million Baht. Therefore, the total value turned out as 133.80 Million Baht 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 Baht.

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 Baht.

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 Baht 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 10.50 Million Baht.

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 Baht.
- 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 Baht.
- 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 Baht.

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 Baht per stock the Ministry of Commerce on 7 November 2012. Such capital stocks started to be trading in MAI on 12 November 2012.

December: The Company signed a construction contract of the structure, architecture, and engineering system project for the W District Trunc C, Prakanong in cooperation with Centerland Co., Ltd. with the value of 83.50 Million Baht.

2013

January:

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

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 Baht per stocks. Also, the Company registered for the increasing capital from 125,771,000 Baht to 126,720,000 Baht with the Ministry of Commerce on 8 May 2013. Such capital stocks started to be trading in MAI Stock Market of the Securities Exchange of Thailand on 13 May 2013.

May:

- The Company signed a construction contract of the multi-residential building, Sucre Khaoyai Building A and B, Pakchong, Nakornratchasima in cooperated with Sucre Asset Co., Ltd. with the value of 173.91 Million Baht.
- 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 Baht.

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 Baht.

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, Nakornratchasima in cooperated with Phuphatara Khaoyai Co., Ltd. with the value of 18.28 Million Baht.

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 Baht.

November: The Company signed a construction contract with On-nuch Construction Co., Ltd. for the structure and sanitary system works of 6-storey hotel building called “Splendid Resort Hotel”, Amphur Pakchong, Changwad Nakornratchasima with the value of 33.50 Million Baht.

2014

January: The Company signed a construction contract of structural and architectural works for The Phyll Project, Soi Sukhumvit 54, Sukhumvit Road, Bangkok with Saranrat Development Co., Ltd. with the value of 290 Million Baht.

April: The Company signed a construction contract with Le Votel Khao Yai Co., Ltd. for structural and architectural works of DusitD2 Hotel, Khao Yai, Tambol Moosi, Amphur Pakchong, Changwad Nakornratchsima with the value of 177 Million Baht.

May: The Company signed a construction contract with On-nuch Construction Co., Ltd. for the architectural and electrical and air-conditioning works for a 6-storey hotel, Gudkla-Parnsuek Road, Tambol Moosi, Amphur Pakchong, Changwad Nakornratchsima with the value of 66.5 Million Baht.

June: The unexercised warrants to buy ordinary shares of the existing shareholders or RO Warrants in the amount of 62,499,958 units (from the total 62,500,000 units) and the unexercised warrants to buy ordinary shares of the directors and staff or ESOP Warrants in the amount of 10,780,000 units (from the total 12,500,000 units) had expired since 16 June 2014. The paid-up capital of the Company as of 19 June 2014 is 126,720,042 Baht.

July: The CSR Task Force chaired by the Managing Director was set up with all department heads of the Company acting as members of the task force. The key function of this task force is to develop and follow up CSR in Process activities of the Company.

August: The Board of Directors' Meeting No.3/2014, held on 13 August 2014 approved the Vision, Mission, Value of the Company and the new Corporate Governance Policy 2014 with 11 Chapters, including new CG policies, e.g. the Anti-Fraud and Corruption Policy, Non-Violation of Intellectual Property Policy and the Non-Violation of Human Rights Policy, etc.

2015

February: In order to be comply with the Good Corporate Governance Principles, the Board of Directors of the Company has determined another role of the Audit Committee to supervise and monitor the business of the Company and has resolved that the name of the Audit Committee be changed to be the "Audit and Corporate Governance Committee". The Board also determined another role of the Construction Committee to manage the risks of the Company, and has resolved that the name of the Construction Committee be changed to be the "Construction and Risk Management Committee".

April: The Company has been awarded the construction works (structure, architect and system) of Issara Collection Sathorn with the value of 290 Million Baht which is a high-end condo project and located in Soi Nang Lin Chee 4, Nang Lin Chee Road, Kwaeng Chongnonsee, Khet Yananwa, Bangkok. Charn Issara Vibhapol Company Limited is the project owner. The construction is expected to be completed on 30 November 2016 under the contract.

May: The construction of Focus Ploenchit which is located in Sukhumvit Soi 2, Kwaeng Klongtoey, Khet Klongtoey, Bangkok, has been completed and the ownership has gradually been transferred to customers.

In addition, in 2015, the Management of the Company has reviewed, developed and improved the system and working format of various sections of the Company in order to enhance the efficiency, including, to be prepared for new projects when the economic improves in 2016. The Authority Table of the Company has also been reviewed and improved as appropriate and to be in line with the current situation.

2016

On 5 October 2016, the Company has entered into a joint venture with Wheig S.A.S. from France to set up a joint venture company, called as “Focus Wheig Corporation Limited” with the registered capital of 15 Million Baht, divided into 1,500,000 shares with a par value of 10 Baht each. The Company has 60% share while Wheig S.A.S. has 40% share, whereby the shareholders agree to jointly control this newly established company. Focus Wheig Corporation Limited will be a holding company to invest in the waste management business, e.g. recycling business, Refuse Derived Fuel or RDF and electricity generating from waste, etc.

On 18 October 2016, Focus Wheig Corporation Limited has started to invest in the waste management business by purchasing 99.99% ordinary shares of Focus Wheig Bangna Limited for 49,998 shares with a par value of 100.- Baht each, at total acquisition cost of 1.- Baht.

2017

28 April 2017 The Annual General Meeting of Shareholders 2017 has resolved to increase the Company’s registered capital from 126,720,042 Baht to 227,760,073 Baht, by issuing 101,040,031 new ordinary shares with the par value of 1.00 Baht each, as follows:

- | | |
|--|--------------------|
| 1) To be allocated to the existing shareholders (Rights Offering) for not exceeding | 63,360,021 shares |
| at the ratio of 2 existing shares per 1 new share at the price of 1.20 Baht per share | |
| 2) To accommodate the exercise of FOCUS-W2 for not exceeding | 31,680,010 shares |
| at the ratio of 1 new share per 1 warrant with the exercise price of 1.80 Baht per share | |
| 3) To accommodate the exercise of ESOP Warrants for not exceeding | 6,000,000 shares |
| at the ratio of new share per 1 warrant with the exercise price of 1.80 Baht per share | |
| Totally | 101,040,031 shares |

19 May 2017 The Company has registered the capital increase at the Department of Business Development, Ministry of Commerce from 126,720,042 Baht to 227,760,073 Baht by issuing 101,040,031 new ordinary shares with the par value of 1.00 Baht each

25 May 2017 The Company has notified the terms and conditions concerning the sale and allocation of capital increase ordinary shares to the existing shareholders of the Company according to their proportion ratio (Rights Offering) and has determined the issue date and the exercise date under the warrants to purchase the said ordinary shares of the Company No. 2 (FOCUS-W2) as follows:

1. Subscription period and payment for the capital increase ordinary shares : during 12-16 June 2017
2. Issue date and exercise date under the warrants to purchase the ordinary shares of the Company No. 2 (FOCUS-W2)
 - Issue date of the warrants : 8 July 2017
 - First exercise date : 29 September 2017
 - Last exercise date : 30 June 2020

26 June 2017 The Company has registered its paid-up capital with the Department of Business Development, Ministry of Commerce from 126,720,042 Baht to 190,080,063 Baht as per details concerning the registered capital and the paid-up capital of the Company as follows:

Registered Capital 227,760,073 Baht, divided into 227,760,073 ordinary shares with the par value of 1.00 Baht each

Paid-Up Capital 190,080,063 Baht, divided into 190,080,063 ordinary shares with the par value of 1.00 Baht each

15 August 2017 The Company has notified the transfer of shares in Focus Wheig Corporation Limited (holding company) as follows:

Transferor	Transferee	No. of Shares	Shareholding Ratio
Wheig S.A.S., France	Wheig Asia Ltd., Hong Kong	599,999	39.99%

Remarks :

- (1) Wheig Asia Limited, Hong Kong is a subsidiary of Wheig Group of Companies with Wheig S.A.S., France as the major shareholder
- (2) The reason of the said transfer of shares is due to the fact that Wheig Group of Companies would like to have Wheig Asia Ltd., Hong Kong which is its subsidiary in the Asian Region as the investor in Thailand in place of Wheig SAS, France which is in Europe Region

15 August 2017 The Board of Directors Meeting No. 3/2017 of the Company has resolved to invest in the waste management project of Focus Wheig Bangna Limited which is a subsidiary of Focus Wheig Corporation Limited which is a “holding company” with the project value of approximately 180 Million Baht. The project will be situated on the land with the area of 23 Rai 16 Square Wa in the industrial and warehouse zone (purple zone), High Way No. 331-Baan Nong Rua, Tambon Plangyao, Amphur Plangyao, Changwad Chachoengsao.

August and September 2017 The Company entered into the contract for the building of quality of life improvement building for Thai Navy officers, Amphur Sattahee, Changwad Chonburi with the total work value of 79 Million Baht.

15 November 2017 Focus Wheig Bangna Limited (subsidiary of Focus Wheig Corporation Limited) has received the land ownership for the waste management project with the area of 23 Rai 16 Square Wa in the industrial and warehouse zone (purple zone), High Way No. 331-Baan Nong Rua, Tambon Plangyao, Amphur Plangyao, Changwad Chachoengsao. Presently, the project is under construction of the plant which is expected to be completed to start the operations of the waste management business within the 4th quarter of 2018.

2018

27 April 2018, the Annual General Meeting 2018 (AGM 2018) approved the cancellation of the issuance and offering of warrants to purchase ordinary shares of the Company to directors, management and staff of the Company (ESOP Warrants) in the amount of 6,000,000 units since the Announcement of the Capital Supervisory Board No. Thor.Jor. 32/2551 regarding the offer for sale of newly issued securities to directors or staff dated 15 December 2008 specifies that the Company must complete the offer for sale of the ESOP Warrants to directors and staff within one year from the date of the Annual General Meeting of Shareholders for year 2017, held on 28 April 2017. The Nomination and Remuneration Committee and the Audit and Corporate Governance Committee have the same opinion as proposed by the management of the Company to cancel the issuance and offer for sale of the said ESOP Warrants because of the unfavorable market situation and the exercise price of 1.80 Baht per share is not attractive enough. It is, therefore, not appropriate to offer for sale of the ESOP Warrants to directors, management and staff during this time.

20 July 2018 The Company entered into the contract for the building of waste management factory for Focus Wheig Bangna Limited which is situated in Amphur Plangyao, Changwad Chachoengsao with the total work value of 50 Million Baht.

31 August 2018, Mr. Thomas C. Thompson resigned as company director (independent director), Audit and Corporate Governance Committee and Nomination and Remuneration Committee with the effect from 14 September 2018.

14 November 2018, the Board of Directors Meeting No.4/2018 appointed Mr. Wera Suriyaarchanon as company director (independent director), Audit and Corporate Governance Committee and Nomination and Remuneration Committee in place of Mr. Thomas C. Thompson who resigned.

1.2 NATURE OF THE BUSINESS OPERATIONS

1.2.1 Nature of Business Operations

Construction Business

The Company is carrying on the general construction business for both government sector and private sector in various types of construction, e.g. factory, building, office, residence, condominium, hotel, hospital, infrastructure, etc.

Property Development Business

The Company has 2 projects of property development as follows:

- (1) In 2011, Focus on Saladaeng Condominium Project, an 8 storey residence with 62 units in total.
- (2) In 2015, Focus Ploenchit Condominium Project, an 8 storey residence with 132 units in total.

Investment in Waste Management Business

In 2016, the Company expanded its business to invest in the waste management project through Focus Wheig Bangna which is a subsidiary of the joint venture with 60% owned by the Company and 40% owned by Wheig Asia Limited Hong Kong in order to operate the waste management business. The said project shall earn the main income from the recycling business, bio-fertilizer, Refuse Derived Fuel or RDF business. In addition, the Company also plans to have the waste to electricity business in the next stage. Presently, the plant is under the construction on the land of 23 Rai 16 Square Wa of Focus Wheig Bangna Limited, in Amphur Plangyar, Changwad Chachoengsao. It is expected that the construction of the said plant will be completed and will start the operation approximately in the second quarter of 2019.

1.2.2 Revenue Structure of the Company

The revenue structure of the Company during the year 2016-2018

Product Line/Business Group	Year 2018		Year 2017		Year 2016	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%
1. Revenue from Construction	87.17	76.37	51.44	34.28	152.77	46.25
2. Revenue from Property Development	15.91	13.94	90.22	60.13	165.93	50.23
3. Other Income	11.06	9.69	8.39	5.59	11.64	3.52
Total	114.14	100.00	150.05	100.00	330.34	100.00

1.2.3 Business Goal

The Company supports all projects of public sector, private sector, and state enterprises 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 only on the construction business, the Company has expanded its business to property development, and the waste management business project which started in the year 2016 and it is expected to start its operation approximately in the second quarter of the year 2019.

However, the Company aims to develop its professionalism in construction, property development business and other business on an ongoing basis in order to reduce the risks and variations of income derived only from the construction business.

1.3 RISK FACTORS

1.3.1 Business Operational Risk

1.3.1.1 Economic and Political Uncertainty

There is the fierce competition in the construction industry and property development business with the high risks, coupled with the fact that financial institutions are rather stricter in providing residential financing. Therefore, the sales of Focus Ploenchit Condominium Project was not in line with the target as determined by the Company.

However, the Company has determined the business plan and carefully adjusted itself to various factors by diversifying the risks in accepting construction works from the government and private sectors in various types of construction, e.g. residential building, shopping malls, manufacturing plants, office buildings, hotels, resorts, etc. For the property development business, the Company will carefully study the location, reasonable costs of land and customer segmentation for a new project in order to achieve the sales target.

1.3.1.2 Competitive Risk

If the investment projects of the public sector are delayed in withdrawing the expense budget, it will affect the large construction companies being hired by the government to change and work for the public sector instead. This will result in fiercer competition in the market because projects of the private sector do not compete only with the price but also the reliability of the construction company and price.

However, there are a lot of construction entrepreneurs, resulting to the high competition and the risk of earning revenue. In the meantime, when the project is awarded, the construction management could be a risk factor of achieving the targets set in the contract, which results from various factors. However, the Company has established the guidelines to reduce such risks by setting up a function to be responsible for new construction projects which will participate in auctions or negotiations, which will help the Company to have the stable performance and revenue, including the follow-up of the cost control in accordance with the plan set by the Company

1.3.1.3 Property Development Risk

Large and small scale property developers have faced various risk factors, including labour costs and material costs which could be increased. In 2017, the risk factors which would give an impact to construction business and the property business still include the problem of labor shortage and key personnel of the project, such as engineers and architects which results from the expansion of public utility infrastructure investment regarding to transportation, contractors and labors are required in high level and the construction and materials costs are expected to be higher adjusted according to the higher demand in the market.

However, the risk management in the property development which will directly affect the business operation of the Company is as follows:

- (1) Risk of land acquisition: The Company will purchase potential land for development at a reasonable price. For the development of residential condominium project, the Company will choose the location situated in the city center by focusing mainly on the BTS sky train line and MRT line. The Company has reduced the risk by creating a network for searching potential locations.
- (2) Risk of changes in laws and regulations concerning property development business: The Company operates the property business for residential purpose under the relevant laws and regulations. Therefore, the risk issues will include limitation of land utilization in constructing some types of building, setback distance of buildings, land border disputes with neighbors, problems of complaints during the construction, etc. the Company has an approach to reduce such risks by inspecting and examining legal limitations and regulations of relevant government agencies relating to the land utilization before purchasing any land for development. The Company will consider what limitation affects the plan of land development and study the feasibility of the project.
- (3) Risk from being unable to achieve sales target of condominium unit: The Company will establish the size and quantity of unit required development in each project to meet the demand of the target customers. The estimated sales derive from the sale and the marketing and the Company also intimately follows up the market situation. However, if the economic situation does not support, it may affect the sales which will not be in accordance with the estimation and will not reach the break-even point, possibly causing an impact to the financial position of the Company. The Company has reduced the risk from the remain stock of condominium units by establishing the marketing strategy and promoting sales focusing on the target customers and also controlling expenses effectively.

1.3.2 Management and Operational Risk

1.3.2.1 Accepting New Projects Risk and Contract Compliance Risk

Most revenue of the Company derives from the construction works awarded by both government and private sectors as the main contractors and sub-contractors as the case maybe. However, the quantity of accepted projects depends on the economic conditions, competition, price and so on. Therefore, the estimation for new projects accepted by the Company cannot be expected since each project takes time for the auction process, including the complex of contractor selection process. Therefore, performance of the Company will vary on the timing of awarding new projects. The company's recognised revenue will depend on the value of the project award duration of construction of the project, and procedures of the construction, including the construction site hand-over of project owner and the modification of the project design. The Company has established the measure to reduce such risks by assigning a function to be responsible for providing new construction projects and the Construction and Risk Management Committee shall be responsible for planning, making a decision and solving the problems throughout the operation period under the construction contracts.

1.3.2.2 Risk of Construction Material Price Variations

If the prices of construction materials increase in 2018 following the higher demand in the market, it would directly affect the cost of projects. The Company has preventive measures and approaches, including special supervision, by collecting purchase orders from several projects before placing an order in a large quantity for bargaining power, providing partial deposit for pre-ordering materials, and setting fixed prices, etc. The Company begins to consider such risk at the stage of proposing a new project. The price calculation will depend on the risk of construction material price variations. In addition, the Company also enhances the efficiency of the procurement section in order to provide reliable suppliers who can offer us appropriate terms of payment.

1.3.2.3 Risk of Relying on Experienced Engineers and Architects

Construction business requires knowledge and capability of personnel, especially at the level of project directors, project managers, engineers and architects who have the ability of controlling work and managing the projects to achieve the target. Lack of qualified engineers and architects causes an impact to the ability of accepting works and performance of the Company in the future. As a result, the Company has the policy of personnel's quality management and development by providing appropriate remuneration and welfare, including supporting personnel to participating in additional trainings and Seminars on the Regular basis in order to retain these personnel with the Company.

1.3.3 Financial Risk

1.3.3.1 Risk of Non – Payment under Construction Contracts

The Company has the risk of non- payment under construction contracts in case the owners have some financial difficulties or lack of liquidity. The Company is aware of such risk so we consider accepting only construction projects from competent or reliable owners with good financial position.

1.3.3.2 Working Risk of Capital

As being a construction and property development company, we must have sufficient working capital for purchasing construction materials and wage payment. Such working capital derives from the working capital of the Company and the support of financial institutes. In addition, the Company has negotiated on the strict terms of payment with any owners before entering into an agreement of each project, such as, requesting for the advance payment at the rate of 10-15% of the contract value, offering appropriate credit term, etc., including the efficient tracking and collection of revenue so that the Company will not lack of its liquidity.

1.3.4 Investors Risk

1.3.4.1 Risk of Dividend Payment

In the year 2018, the Company has the loss of 41.03 Million Baht with the accumulated loss of 133.56 Million Baht. The Company is not in the position to pay any dividends to shareholders as per the Company's dividend policy.

1.3.4.2 Risk of Having a Major Shareholder

As of 7 March 2019, Mrs. Naparat Sihanatkathakul is a major shareholder of the Company holding 34.99 of the total shares of the Company. She has the right under the law to object or disagree with any matters to be proposed for shareholders' resolutions, especially, the matters which require the votes of not less than $\frac{3}{4}$ of the votes of shareholders who attend the meeting and have the right to vote.

1.4 Assets for Business Operations

Head Office of the Company

The Company has leased an office space to be used as its head office for business operations on 9th Floor, Alma Link Building, No. 25 Soi Chidlom, Ploenchit Road, Kwaeng Lumpini, Khet Pathumwan, Bangkok 10330 from B. Grimm Alma Link Building Co., Ltd. and B. Grimm Alma Link Building Services Co., Ltd. as per the following details:

Floor	Area	Leased Term	Rental Rate for building and services
9	450 square meters	15 August 2017 – 14 August 2020	324,000.- Baht/Month

Other Assets

Apart from the Company's Head Office, the Company also has other assets for the business operations as per the following details:

(Unit : Thousand Baht)

Details	Cost Price	Accumulated Depreciation	Book Value
Buildings	620	440	180
Machinery and Equipment	68,637	64,059	4,578
Furniture and Office Equipment	13,600	13,307	293
Vehicles	7,332	6,199	1,133
Copy Rights of Software	4,402	2,160	2,242
Total	94,591	86,165	8,426

Investment in Joint Venture

Focus Wheig Corporation Limited (Joint Venture) carries on the business as a holding company by investing in Focus Wheig Bangna Limited (Subsidiary of the Joint Venture) which operate the integrated waste management business. The waste management factory building of the Subsidiary of the Joint Venture is currently under the construction on the area of 23-0-16 rai in the industrial and warehouse zone (purple zone), Highway No. 331, Baan Nong Rua, Tambon Plangyao, Amphur Plangyao, Changwad Chachoengsao. It is expected to be completed and we can start the commercial operations within the second quarter of year 2019.

1.5 Legal Disputes

As at 31 December 2018, the Company has no legal disputes which would give rise to significant impact on the business operations and assets of the Company by more than 5 percent of the shareholders' equity.

1.6 General Information

Securities Issuer Company :	Focus Development and Construction Public Company Limited
Registration Number :	0107545000331
Head Office :	25 Almalink Building, 9 th Floor, Soi Chidlom, Kwaeng Lumpini, Khet Pathumwan, Bangkok 10330
Type of Business :	Construction and Property Development Registered Capital
website :	www.focus-pcl.com
Tel :	0-2650-3105-9, 0-2650-3063-4
Fax :	0-2650-3065-6
Registered Capital :	227,760,073 Baht divided into 227,767,073 ordinary shares with a par value of 1 Baht each
Paid-Up Capital :	190,080,063 Baht, divided into 190,080,063 ordinary shares with the par value of 1.00 Baht each
Securities Registrar :	Thailand Security Depository Company Limited. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel. (662) 009-9000 Fax (662) 009-9991
Listed on the MAI :	5 October 2004
Auditor :	Auditor for the Fiscal Year Ended 31 December 2018 Miss Wannisa Ngambuathong Certified Public Account Registration No. 6838 178 Dharmniti Building, 6 th -7 th Floor, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok 10800 Tel. 02-596-0500, Fax. 02-596-0560 www.daa.co.th
Person who takes highest responsibility in finance and accounts (CFO)	Mrs. Wilaiporn Siripoorikan
Person who supervises accounting (Chief Accountant)	Miss Patcharanan Yingyuen
Membership :	Listed Companies Association
ISO 9001 : 2015 Version	The Company has been certified for ISO 9001 in the areas of General Construction, Civil, Mechanical and Electrical Engineering Works from United Registrar of Systems or URS since 2008 until today. The latest version of our ISO is ISO 9001 : 2015 Version.

Remarks: For more information, please see the Annual Registration Statement (Form 56-1) of the Company posted on the website www.sec.or.th or the Company's website www.focus-pcl.com