



Part 3 : Financial Position and Operation Results



3.1 Financial Highlights

(Unit : Million Baht)

Financial Highlights	2018	2017	2016 (Restated)
Total Assets	316.74	307.43	407.08
Total Liabilities	191.91	140.91	271.02
Total Shareholders'Equity	124.84	166.52	136.06
Paid-up Capital	190.08	190.08	126.72
Total Revenues	114.14	150.05	330.34
Revenue from Construction	87.17	51.44	152.77
Revenue from Property Development	15.91	90.22	165.93
Net Profit (loss) for the year	(41.03)	(45.29)	0.12
Earnings per share (Baht)	(0.22)	(0.28)	0.001
Book Value Per Share (Baht)	0.66	0.88	1.07
Financial Ratio			
Current Ratio (times)	1.36	2.56	1.43
ROE (%)	(28.17)	(29.93)	0.09
ROA (%)	(10.94)	(11.82)	2.28
Debt/Equity Ratio (times)	1.53	0.85	1.99
Total Asset Turnover (times)	0.37	0.42	0.73
Gross Profit Margin (%)	17.24	19.84	21.92
Net Profit (loss) Margin (%)	(35.95)	(30.18)	0.04

3.1.1 Financial position and performance

Financial statement

Auditor

Year	Name - Surname	CPA Registration No.	Company name
2016	Mr.Udom Thanuratpong	8501	PV Audit Co., Ltd.
2017	Mr.Udom Thanuratpong	8501	PV Audit Co., Ltd.
2018	Miss Wannisa Ngambuathong	6838	Dharmniti Auditing Co., Ltd.

Summary of Auditor's report

- For the year ended December 31, 2016, Auditors commented "Unqualified"
- For the year ended December 31, 2017, Auditor commented "Unqualified opinion with an emphasis of matter"

as follow:

Emphasis of Matter

I draw attention to Note 2 to the financial statements that the Company has elected to change accounting policy relating to investment in joint venture in the separate financial statements from cost method to equity method for the financial statements for the accounting period beginning on or after 1 January 2017 onwards and the Company restated the separate financial statements for the year ended 31 December 2016 which are presented as comparative information, to be in accordance with the revised Thai Financial Reporting Standards. My opinion on financial statements is not qualified in respect of this matter.

- For the year ended December 31, 2018, Auditors commented "Unqualified"

3.1.2 Summary of statement of financial position, statement of comprehensive income, statement of cash flows and financial ratio; comparative summary for a period of 3 years.

Statement of Financial Position

Description	2018		2017		2016 (Restated)	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Cash and cash equivalents	7,311	2.31	909	0.30	16,466	4.04
Trade and other receivables	39,412	12.44	6,801	2.21	17,211	4.23
Unbilled receivables	2,007	0.63	12,382	4.03	26,463	6.50
Short-term loans to related parties	17,630	5.57	-	-	-	-
Work in progress	1,497	0.47	356	0.12	3,902	0.96
Cost of property development	173,323	54.72	182,337	59.31	231,791	56.94
Other current assets	5,461	1.72	1,094	0.36	8,632	2.12
Restricted bank deposits	7,427	2.34	8,351	2.72	6,773	1.66
Investment in joint venture	28,784	9.09	24,370	7.93	7,434	1.83
Building and equipment	6,185	1.95	8,499	2.76	12,296	3.02
Intangible assets	2,242	0.71	2,692	0.88	3,193	0.78
Deferred tax assets	11,397	3.60	14,580	4.74	12,359	3.04
Other non-current assets	14,067	4.44	45,057	14.66	60,561	14.88
Total Assets	316,743	100.00	307,428	100.00	407,081	100.00
Bank overdrafts and short-term loans from financial institution	17,037	5.38	2,864	0.93	17,263	4.24
Trade and other payables	23,170	7.32	18,789	6.11	42,089	10.34
Current portion of long-term from financial institution	39,445	12.45	-	-	30,943	7.60
Short-term loans from related person	29,900	9.44	-	-	-	-
Short-term loans from other person	-	-	-	-	29,762	7.31
Estimated cost payables	13,887	4.38	18,635	6.06	28,721	7.06
Retention payables	18,324	5.79	20,047	6.52	19,260	4.73
Advances receive from construction	6,168	1.95	11,196	3.64	6,403	1.57
Advances receive from sale of property development	28,362	8.95	-	-	36,410	8.94
Other current liabilities	4,760	1.50	8,103	2.64	1,948	0.48
Long-term loans from financial institutions	-	-	51,925	16.89	50,000	12.28
Employee benefit obligations	10,854	3.43	9,348	3.04	8,223	2.02
Total Liabilities	191,907	60.59	140,907	45.83	271,022	66.58
Share capital	227,760		227,760		126,720	
Issued and paid-up share capital	190,080	60.01	190,080	61.83	126,720	31.13
Premium on shares	68,318	21.57	68,318	22.22	56,413	13.86
Deficit	(133,562)	(42.17)	(91,877)	(29.89)	(47,074)	(11.56)
Total Shareholders' Equity	124,836	39.41	166,521	54.17	136,059	33.42

Statement of Comprehensive Income

Description	2018		2017		2016 (Restated)	
	Thousand Baht	%	Thousand Baht	%	Thousand Baht	%
Revenue from construction	87,175	76.37	51,438	34.28	152,773	46.25
Revenue from property development	15,907	13.94	90,221	60.12	165,927	50.23
Other income	11,061	9.69	8,396	5.60	11,638	3.52
Total revenue	114,143	100.00	150,055	100.00	330,338	100.00
Cost of construction	75,997	66.58	61,540	41.01	151,206	45.77
Cost of sales	9,310	8.16	52,012	34.66	97,647	29.56
Distribution costs	1,137	1.00	11,027	7.35	13,566	4.11
Administrative expenses	50,509	44.25	58,466	38.96	56,097	16.98
Finance cost	3,705	3.25	5,408	3.60	8,995	2.72
Share of loss from investment in joint venture	11,336	9.93	9,246	6.162	1,566	0.47
Total cost and expenses	151,994	133.17	197,699	131.74	329,077	99.61
Profit (loss) before income tax	(37,851)	(33.16)	(47,644)	131.75	1,261	0.38
Tax income (expense)	(3,182)	(2.79)	2,358	1.57	(1,137)	(0.34)
Profit (loss) for the year	(41,033)	(35.95)	(45,286)	(30.18)	124	0.04
Other comprehensive income (loss) for the year - net of tax	(652)	(0.57)	484	0.32	225	0.07
Total comprehensive income (loss)	(41,685)	(36.52)	(44,802)	(29.86)	349	0.11

Statement of Cash Flows

Description	2018	2017	2016 (Restated)
Net cash provided by operating activities	10,637	14,408	55,619
Net cash used in investing activities	(32,474)	(26,335)	(9,256)
Net cash provided by (used in) financing activities	28,239	(3,630)	(37,826)
Net increase (decrease) in cash and cash equivalents	6,402	(15,557)	8,537
Cash and cash equivalents at beginning of year	909	16,466	7,929
Cash and cash equivalents at end of year	7,311	909	16,466

Financial Ratio

Item	2018	2017	2016
Liquidity Ratios			
Current ratio (time)	1.36	2.56	1.43
Quick ratio (time)	0.26	0.10	0.16
Cash flow current ratio (time)	0.08	0.10	0.26
Account receivable turnover (time)	7.08	16.42	17.88
Average collection period (day)	52	22	20
Account payable turnover (time)	7.23	4.83	4.00
Payment period (day)	50	76	91
Profitability Ratios			
Gross profit (loss) margin (%) – Construction business	12.82	(19.64)	1.03
Gross profit margin (%) – Property development business	41.47	42.35	41.15
Other profit margin (%)	9.69	5.60	3.52
Net profit margin (%)	(35.95)	(30.18)	0.04
Return on equity ratio (%)	(28.17)	(29.93)	0.09
Efficiency Ratio			
Return on assets ratio (%)	(10.94)	(11.82)	2.28
Return on fixed assets (%)	(528.47)	(398.46)	37.07
Assets turnover ratio (time)	0.37	0.42	0.73
Financial Policy Ratios			
Debt to equity ratio (time)	1.54	0.85	1.99
Interest coverage ratio (time)	4.31	4.28	7.83
Dividend payout ratio (%)	0.00	0.00	0.00

3.2 Explanation and Analysis of Financial Status and Overall Operation

3.2.1 Overall Previous Operations

Focus Development and Construction Public Company Limited is classified into the group of medium-sized contractor and has conducted the business of construction contractor together with property development. In 2016, the Company expanded, opening another branch of business, which was a joint venture in waste management and energy production from Refuse Derived Fuel as follows:

Name of Business	Type of business	Paid-up capital (Million baht)	The Company holds shares Percentage
Focus Development and Construction Public Company Limited	Construction contractor and property development	190.08	-
<u>Joint Venture</u>	Joint venture in waste management business and energy production business from Refuse Derived Fuel	85.00	60
Focus Wheig Corporation Limited			

Focus Wheig Corporation Limited has invested in the subsidiary as follows:

Name of Business	Type of business	Paid-up capital (Million baht)	The Company holds shares Percentage
<u>Subsidiary of Joint Venture</u>	Waste management and energy production business from Refuse Derived Fuel	81.00	99.99
Focus Wheig Bangna Limited			

The property development condition in the overall picture has continuously expanded only in Bangkok Metropolitan Region, including important tourist provinces in the region. The demand for high-rise residences is growing well in the middle of Bangkok along the BTS line, due to the purchasing power of customers with moderate to high income, which continues to expand. Another factor is due to the demand of foreigners, especially the Chinese, who have helped to absorb the supply in some areas, such as Sukhumvit and Ratchadaphisek areas. In 2019, property development continued to show a growing trend in Bangkok Metropolitan Region. However, an upward trend in interest rates and LTV measures will be effective in April 2019, which will affect some groups of purchasers, slowing down buying decisions for residences in the following phase. The overall construction business has grown continuously due to large construction projects of the government sector. However, the construction business in the regional sector is still facing many operational obstacles, such as from town planning laws and Environmental Impact Assessment Report, including restrictions from the Government Procurement and Supplies Management Act, as well as high competition between entrepreneurs.

Such economic condition has led the Company, which is in the group of medium-sized contractors, to receive impact from the high competition. Therefore, the Company has only constructed building for waste management, which was completely constructed within the same year. The revenue was recognized in the amount of 46.46 million baht, including ongoing projects of the government sector from the previous year, which was the construction project to establish the Navy Officer Life Quality Promotion Center at Sattahip Naval Base, Chonburi Province. Nevertheless, the Company still had sales in the apartments of the Focus Ploenchit Project from foreign customers, at the rate of 70 percent of total sales in 2018. The ownership of some parts will be transferred in 2019.

Source: Information Reference from the Bank of Thailand

3.2.2 Income

The Company had income from the business of construction contracting and real estate development according to the proportions as follows:

(Unit : Million Baht)

Table of Source of Income	2018		2017		Change	
Contraction Contractor Business						
• Government Sector	40.72	35.68%	3.41	2.27%	37.31	1,094.13%
• Private Sector	46.45	40.69%	48.03	32.01%	(1.58)	(3.29)%
Property Development Business	15.91	13.94%	90.22	60.13%	(74.31)	(82.36)%
Other Income	11.06	9.69%	8.39	5.59%	2.67	31.82%
Total	114.14	100.00%	150.05	100.00%	(35.91)	(23.93)%

Remark: Other income, which are income from the Back Office Service from the subsidiary of the joint venture, profit on sales of assets, or interest receivable, etc.

Construction Contractor Business

The income from construction contracting came from construction projects of both the government and private sectors. In 2018, the Company had income from construction contracting in the amount of 87.17 million baht, which increased by 35.73 million baht or 69.46 percent, compared to the previous year, which was 51.44 million baht. The income from construction in the government sector was from the construction project to establish the Navy Officer Life Quality Promotion Center (Phase 1) at Nang Rong Beach, Sattahip Port, and Sattahip Naval Base. The income from the works in the private sector was from the building construction of the waste management factory in Plaeng Yao District, Chachoengsao Province, which was a business of the subsidiary of the joint venture.

Property Development Business

In 2018, the Company transferred the ownership of apartments in “Focus Ploenchit” Project to customers totaling a value of 15.91 million baht, which reduced by 74.31 million baht or 82.36%, compared to the previous year, which was 90.22 million baht. Therefore, the proportion of income from the real estate development business in 2018 and 2017 was equal to 13.94% and 60.13% of the total income.

As of 31 December 2018, the Company had a trading value for sale and purchase agreements for 97 units of 570 million baht. The value according to the sale and purchase agreements included the apartments that customers would transfer ownership of, totaling 5 units as follows:

(Unit : Million baht)

Project	Number of Units of the Project	Total Sales of the Project (Million Baht)	Value of Sale and Purchase Agreements (Million Baht)	Percentage Ratio Per Total Sales
Focus Ploenchit	132	830	570	68.67

3.2.3 Expenses

The expenses of the Company consisted of the cost from construction contracting, cost of sales and expenses in selling of real estate, administrative expenses, financial cost, and income tax expenses.

In 2018 and 2017, the Company had costs that were classified into each type of business as follows:

(Unit : Million baht)

Transaction	2018				2017				Changes	
	Construction Contractor		Property Development		Construction Contractor		Property Development		Construction Contractor	Property Development
Income	87.17	100%	15.91	100%	51.44	100%	90.22	100%	35.73	(74.31)
Cost	76.00	87.18%	9.31	58.52%	61.54	119.63%	52.01	57.64%	14.46	(42.70)
Selling Expenses	-	-	1.14	7.16%	-	-	11.03	12.23%	-	(9.89)
Gross Profit (Loss)	11.17	12.82%	5.46	34.32%	(10.10)	(19.63)%	27.18	30.13%	21.27	(21.72)

Cost of Construction Contractor: In 2018, the Company had an increase of income from construction contracting from the previous year in the amount of 35.73 million baht or 69.46%, which caused the cost of construction to increase according to the revenue recognition. The Company had costs from construction contracting at the rate of 87.18 percent, lower than the same period last year, which was equal to 119.63 percent due to the reduction of the actual budget from completed construction projects.

Cost of Property Development: In 2018, the Company had a decrease of income from sales from the previous year in the amount of 74.31 million baht or 82.36% because the selling and transferring of ownership were reduced when compared with the previous year. The cost of sales in 2018 was equal to 58.52% and the sales expense was 7.16%. Hence, the cost of sales was different due to the differences in area and selling price of each room.

Administrative Expenses

(Unit : Million baht)

Transaction	2018	2017	Change	
Administrative Expenses	50.51	58.47	(7.96)	(13.61) %

In 2018, the Company had administrative expenses in the amount of 50.51 million baht, which consisted of the remuneration for executives, salaries and welfare for employees, office rent and service fees, utility bills, professional fees, or depreciation, etc. It decreased by 7.96 million baht, compared to the previous year, which was equal to 58.47 million baht. The main reason was due to the reduction in the number of employees, and the expenses related with employees, including other administrative expenses, such as office rent and service fees or utility bills, etc.

Financial Cost

(Unit : Million Baht)

Transaction	2018	2017	Change	
Financial costs	3.70	5.41	(1.71)	(31.61) %

In 2018, the Company had a financial cost in the amount of 3.70 million baht, which was reduced by 1.71 million baht or 31.61%, compared with the previous year, which was equal to 5.41 million baht. Mostly, it had occurred from the interest receivable of loans from financial institutions for the property development of 2.63 million baht, the interest receivable from short-term loans from the directors in the amount of 0.35 million baht, and the balance from the credit limit in the category of projects by issuing discounted notes receivable and from the overdraft account limit from the bank.

Shares of Loss from Conflict of Interest with Joint Ventures

The joint venture company and joint venture hold shares in the subsidiary to conduct the waste management business. In 2018, the Company was a construction contractor for factory building valued at 46.46 million baht. In 2018, the Company recognized the shares of loss from such cost in the amount of 11.34 million baht.

Income tax

In 2018, the Company had income tax expenses in the amount of 3.18 million baht that occurred from the temporary changes in differences, which caused the deferred income tax to reduce when compared with the same period the previous year.

3.2.4 Financial status

The financial status of the Company in 2018, when compared with 2017, had significant changes as follows:

(Unit: Million Baht)

Transaction	2018	2017	Change	
Account receivables-net				
• Related businesses	13.74	-	13.74	100.00 %
• Other businesses	14.51	-	14.51	100.00 %
Other debtors				
• Related businesses	10.85	6.49	4.36	67.18 %
• Other businesses	0.31	0.31	-	0.00 %
Short-term loans for relevant businesses	17.63	-	17.63	100.00 %
Total current assets	246.64	203.88	42.76	20.97 %
Investment in the joint venture	28.78	24.37	4.41	18.10 %
Other non-current assets	14.07	45.06	(30.99)	(68.77) %
Total non-current assets	70.10	103.55	(33.45)	(32.30) %
Total assets	316.74	307.43	9.31	3.03 %

1. Assets

The Company had total assets as of 31 December 2018 in the amount of 316.74 million baht, which increased by 9.31 million baht or 3.03 percent when compared with the total assets in 2017, which was equal to 307.43 million baht. It was categorized into current assets in the amount of 246.64 million baht and non-current assets in the amount of 70.10 million baht. The significant changes were:

1. Account receivables and other debtors were in the amount of 39.41 million baht, which increased by 32.61 million baht or 479.56 percent when compared with the previous year, which was equal to 6.80 million baht. They were categorized as follows:
 - 1.1 Account receivables-related businesses were in the amount of 13.74 million baht, because during 2018, the Company made construction contracts to build the factory in the waste management project, which was the business of the subsidiary of the joint venture. The Company also charged for the Back Office Service as shown in the other debtors-related businesses in the amount of 10.85 million baht.
 - 1.2 Account receivables-other businesses were in the amount of 14.51 million baht, which came from the construction of Navy Officer Life Quality Promotion Center (Phase 1) of the Naval Base and also the construction of the projects that were finished in the previous year as of 31 December 2018. The Company had account receivables in the amount of 28.25 million baht with a maturity of less than 3 months. In 2018, the average period for debt collection was 52 days.

2. The short-term loans for related businesses were in the amount of 17.63 million baht, which was from giving short-term loans to Focus Wheig Corporation Limited (“Joint Venture”) by issuing demand promissory notes with an MLR interest rate of plus 1 percent per year and no guarantee.
3. For the investment in the joint venture of “Focus Wheig Corporation Limited” in the proportion of shareholdings and rights to vote at the rate of 60 percent of the authorized capital as of 31 December 2018, the joint venture had authorized capital that was paid in the amount of 85 million baht. The Company invested according to the proportion for a total amount of 51 million baht. Also, the Company recorded the share of loss from such investment for a total amount of 22.22 million baht. Therefore, the value of the investment in the joint venture was 28.78 million baht.
4. Non-current assets was in the amount of 14.07 million baht, which decreased by 30.99 million baht or 32.30%. Due to the company had withholding tax return in 2015-2016 in the amount of 17.96 million baht.

2. Debts

(Unit: Million Baht)

Transaction	2018	2017	Change	
Overdraft account and short-term loans from financial institutions	17.04	2.86	14.18	495.80 %
Long-term loans from financial institutions with a maturity within one year	39.44	-	39.44	100.00 %
Short-term loans from other related persons	29.90	-	29.90	100.00 %
Advance money received from real estate sales	28.36	-	28.36	100.00 %
Total current assets	181.05	79.63	101.42	127.36%
Long-term loans from the financial institutions	-	51.92	(51.92)	(100.00) %
Total non-current assets	10.85	61.27	(50.42)	(82.29) %
Total debts	191.90	140.90	51.00	36.20 %

As of the end of 2018, the Company had a total debt of 191.90 million baht, which increased by 51 million baht or 36.20 percent when compared with the total debts of the previous year, which was equal to 140.90 million baht. It was categorized into current assets in the amount of 181.05 million baht and non-current assets in the amount of 10.85 million baht. The significant items were as follows:

- 2.1 The overdraft account and short-term loans from financial institutions were in the amount of 17.04 million baht, which increased by 14.18 million baht or 495.80%, which came from the use of working capital from the overdraft account in the amount of 10.54 million baht and the short-term loans from the selling of discounted notes receivable in the amount of 6.50 million baht.
- 2.2 The long-term loans from the financial institutions with a maturity of within one year were in the amount of 39.44 million baht from the loan limit for Focus Ploenchit Project in the amount of 40 million baht. In 2018, the Company sold and transferred the ownership of apartments to customers and paid the loans to the financial institutions in the amount of 12.48 million baht.

The details of the long-term loans from the financial institutions.

Limit (Million Baht)	Period	Interest Rate Percentage Per Year	Debt Payment
50	Jun. 2016 – Jun. 2019	MLR – 1.0	When ownership of the apartment is transferred and pay
40	Aug. 2017 – Aug. 2020	MLR – 0.5	monthly interest

The guarantee for the said loan limit was the current project land and property to be constructed later.

2.3 For the short-term loans from related persons in 2018, the Company borrowed short-term loans from directors in the amount of 29.90 million baht by issuing demand promissory notes with an MOR interest rate per year and no guarantee.

2.4 The advance money received from real estate sales totaled 28.36 million baht, which came from the apartment sales in Focus Ploenchit Project to customers for 5 units by receiving the deposit and contract money during the end of 2018. The ownership of such apartments will be transferred at the beginning of 2019.

3. Shareholder's Equity

As of the end of 2018 and 2017, the Company had issued and fully paid-up capital, premium on share capital, and a shareholder's equity as follows:

(Unit: Million Baht)

Transaction	2018	2017	Change	
Authorized capital	227.76	227.76	-	-
Issued and fully paid-up capital	190.08	190.08	-	-
Premium on share capital	68.32	68.32	-	-
Accumulated loss	(133.56)	(91.88)	41.68	45.36 %
Total shareholder's equity	124.84	166.52	(41.68)	25.03 %

As of 31 December 2018, the Company had a shareholder's equity of 124.84 million baht, which decreased by 41.68 million baht or 25.03 percent when compared with the shareholder's equity as of the end of 2017, which was equal to 166.52 million baht, because in 2018, the Company had a net loss in the amount of 41.03 million baht and other comprehensive losses in the amount of 0.65 million baht. The accumulated losses increased by 91.88 million baht, which made the accumulated losses equal to 133.56 million baht.

4. Cash flow and liquidity

(Unit : Million Baht)

Transaction	2018	2017
Net cash from operations	10.64	14.41
Net cash for investment	(32.47)	(26.33)
Net cash for fundraising	28.24	(3.63)
Cash and cash equivalent increase (decrease) net	6.40	(15.55)
Cash and cash equivalent as of the beginning of the year	0.91	16.46
Cash and cash equivalent as of the end of the year	7.31	0.91

As of 31 December 2018, the Company had a cash and cash equivalent balance in the amount of 7.31 million baht with an increase in net cash flow in the amount of 6.40 million baht, which consisted of:

- 4.1 Net cash flow from operations was in the amount of 10.64 million baht. The main transactions came from the withholding tax return in 2015-2016 in the amount of 17.96 million baht.
- 4.2 Net cash flow for investment was in the amount of 32.47 million baht. The main transactions came from the payment of investments in the joint venture with “Focus Wheig Corporation Limited” in the amount of 15.75 million baht and short-term loans in the amount of 17.63 million baht in order to spend the money to invest in the business of waste management and the production of Refuse Derived Fuel.
- 4.3 Net cash flow for fundraising was in the amount of 28.24 million baht. The main transactions came from receiving short-term loans from the director in the amount of 29.90 million baht in order to use as working capital in the business and given to the subsidiary of the joint venture via the joint venture company in order to use in the building construction of waste management factory.

The liquidity ratio of the Company in 2018 was equal to 1.36 times, which decreased by 1.2 times when compared with 2017, which was equal to 2.56 times. The decrease of the ratio partly came from the payment for the capital increase and the short-term loans to Focus Wheig Corporation Limited. Hence, the Company received some money from the short-term loans from the director and withdrawals of the overdraft account, including short-term loans from the financial institutions. Therefore, the debt-to-equity ratio as of 31 December 2018 was equal to 1.54 times.

5. Obligations and Contingent Liabilities

As of 31 December 2018, the joint venture company and the subsidiary of the joint venture had the obligations and contingent liabilities as follows:

- 5.1 The Company had a guarantee that was issued by domestic commercial bank, which was related with the obligations according to the normal business trade agreement with the balance as of 31 December 2018 in the amount of 39.43 million baht.

5.2 The Company had obligations that must be paid according to the agreement as follows:

5.2.1 Payments according to the lease agreement for office and service. The ending period of the lease term of such agreement was on 14 August 2020 in the amount of 7.34 million baht. The land lease to store the machinery and construction materials had an ending period on 30 April 2021 in the amount of 0.78 million baht.

5.2.2 Payments according to the construction agreement in the amount of 12.80 million baht and product purchasing in the amount of 2.53 million baht

5.2.3 Payments according to the employment contract of the cost for property development in the amount of 3.21 million baht

5.3 The subsidiary of the joint venture had obligations that must be paid according to the service contract at a residual value of 17.77 million baht.

Main factors and influences that might affect the operations or financial status in the future

Factors in the Industry Condition

Because the construction contract business is a type of service business, the factors that influence the operations of the Company in the future is the demand in using the service of the customers, which depends on the investment policy of the government sector and private sector, which determines the volume of construction works. However, the key factors in the business operation of the Company depends on the abilities of the directors, executives, and the working team in finding new construction works for the Company. The volume of works and project value must relate with the working capital that the Company can find. The main sources of investment funds consist of the capital of the Company and loans from the financial institutions, including the factors regarding the fluctuation in the prices of construction materials, shortage of construction workers, economic conditions and government policies and political factors. Therefore, the Company must be aware, monitor, and modify the strategies from the various risk factors, including planning, managing, and controlling the cost of construction contracts to be in an appropriate level.

The property development business is a business with a good rate of return even though there are factors that affect the operation in terms of finding potential land at a suitable price, location, design, and price, which must respond with the demands of the target customer. Hence, the Company sees a trend in the real estate market for customers who want to have a residence in town scenery with a distance that is not too far from Bangkok. Therefore, the Company has the policy to expand investment in the vertical property development, especially in the area of Hua Hin District, Prachuap Khiri Khan Province. It has received interest from new investors who have the experience in real estate development and conducting business in Hua Hin. The shares to increase the capital are allocated as a Private Placement totaling 451,388,889 shares at 1.44 baht per share in a total amount of 650 million baht to purchase vacant land and develop projects further.

Disclosure of Auditors' Remuneration

1. Audit Fee

The company and its subsidiaries paid audit fee the following audit fees :

- The company's auditor, during the previous accounting period, for the total amount of0..... Baht
- The office which employed such auditor, other person or business that we related to the auditor and the office which employed such auditor, during the previous accounting period, for the total amount of 890,000 Baht

2. Non-Audit Fee

The company and its subsidiaries paid for other services, namely, none to :

- The company's auditor, during the previous accounting period, for the total amount of0..... Baht.
- The company also has to pay its auditor, in a near future, pertaining to finished services, during the previous accounting period, for the total amount of0..... Baht.
- The office which employed such auditor, other person or business that was related to the auditor and the office which employed such auditor, during the previous accounting period, for the total amount of0..... Baht. The company also has to pay them, in a near future, pertaining to finished services, during the previous accounting period, for the total amount of0..... Baht.

3.3 Report on Responsibilities of the Board of Directors towards the Financial Report

The company's Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure the good corporate governance in accordance with laws, detailed objectives and the Company's Articles of Association, as well as resolutions of the shareholders meetings with integrity and prudence. The Board of Directors protects the benefits of the Company, shareholders and general investors by ensuring that the Company's financial report contains accurate and full accounting records that reflect the Company's actual financial status and operational results. The Company's Board of Directors establishes the Audit and Corporate Governance Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure accuracy and sufficiency of the financial report, including accurate and complete disclosure of connected transactions or transactions with possible conflict of interest, in compliance with the requirements of the Stock Exchange of Thailand and relevant rules and regulations. In this regard, the Audit and Corporate Governance Committee has already reported the performance to the Company's Board of Directors. The Company's Board of Directors is of the opinion that the financial statements for the year 2017 of the Company, which have been reviewed by the Audit and Corporate Governance Committee jointly with the management, and audited by the Company's auditor, reflect accurate financial status and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.



(Mr. Anucha Sihanatkathakul)
Chairman of the Board



(Mr. Nontawat Thongmee)
Managing Director

3.4 Report and Consolidated Financial Statements

Independent Auditor's Report

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

Opinion

I have audited the financial statements of Focus Development and Construction Public Company Limited (“the Company”), which comprise statement of financial position as at 31 December 2018, and statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respect, the financial position of Focus Development and Construction Public Company Limited as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statement of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Revenue recognition for construction services

The Company had recognized the revenues for construction services, construction cost that require the use of judgment and the significant assumption by the management, including to review the estimates cost throughout the construction period and determine the success of the work throughout the service period. It affects the measurement of revenue and service periods. In addition, revenue recognition based on the success of completion of construction has impact on the accounting entries, revenues from construction services, unbilled income, advance received, construction costs and construction costs payable. The amount is materiality to the financial statements of the Company. Therefore, I consider transactions in respect of revenue recognition under the construction agreement and construction costs are significant to the financial statements. The Company has disclosed the accounting policies related to the revenue recognition to the construction service in Note 4.1.

Risk response from auditor

I have audited the recognition of revenue under the construction agreement and construction costs by understanding the process of preparation of financial reports and financial estimates to determine the percentage of completion of the cost estimates audit. I tested the significant internal control system related to the recognition of revenues and costs under the construction agreement. I have audited the recognition of revenues under the related construction agreement. I attended the construction site to compare the consistency of the report on the progress of construction with the inspection of work from the customer to assess the reasonableness of the assessment of the stage of completion for recognition of revenue and cost of construction and audited the actual cost of each project during the year and after the end of the year with related document. In addition, I made comparative analysis of the actual costs as compared to the total estimated costs of project and gross margin to assess the reasonableness of the cost estimation and the change in provision during the year. I had audited the sufficiency of information disclosure of the Company in order to comply with financial reporting standards.

Valuation of Deferred Tax

As described in Notes 4.17 and 13 to the financial statements, regarding accounting policies of income tax and deferred tax, the Company recognized deferred tax for the temporary differences to the extent that is recognized equal to the amount of the future taxable profit will be sufficient to allow utilisation of the temporary differences. As a result, it is necessary to use significant management judgment and estimation of future performance, and may relate to the management decision of the events in the future in order to support the recognition of such transactions. Therefore, I have identified this matter to be area significantly the financial statements because it requires the reasonableness of the management judgment in the estimation based on assumptions in respect of the future events.

Risk response by the auditor

I evaluated the reasonableness of assumptions used in the estimation inclusive of Company's future performance to consider whether it is sufficient to utilize temporary differences for tax deductions by considering the probability of property development and condominium sale in the future based on the evidences of the Company's operate and testing the calculated deferred tax include considering the sufficiency assess of disclosure notes in accordance with Thai Financial Reporting Standards.

Other Information

Management is responsible for the other information. The other information comprises information including in annual report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after that date.

My opinion on the financial statements in which the equity method is applied and separate financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance to make correction the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group of entities to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the group of entities audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Wannisa Ngambuathong.



(Miss Wannisa Ngambuathong)

Certified Public Accountant

Registration No. 6838

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 20, 2019

STATEMENT OF FINANCIAL POSITION

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2018

ASSETS

		Baht	
	Note	2018	2017
CURRENT ASSETS			
Cash and cash equivalents	6	7,310,651	908,875
Trade and other receivables	5, 7	39,412,284	6,801,156
Unbilled receivables	19	2,007,065	12,382,439
Short-term loans to related parties	5	17,630,531	-
Work in progress		1,497,441	355,820
Cost of property development	8	173,323,076	182,336,848
Other current assets		5,460,847	1,094,037
Total Current Assets		246,641,895	203,879,175
NON-CURRENT ASSETS			
Restricted bank deposits	9	7,427,172	8,351,363
Investment in joint venture	10	28,783,621	24,369,931
Building and equipment	11	6,184,559	8,499,155
Intangible assets	12	2,242,154	2,692,163
Deferred tax assets	13	11,397,209	14,579,671
Other non-current assets	14	14,067,325	45,056,535
Total Non-current Assets		70,102,040	103,548,818
TOTAL ASSETS		316,743,935	307,427,993

Notes to financial statements form an integral part of these statement

STATEMENT OF FINANCIAL POSITION (CONT.)

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht	
	Note	2018	2017
CURRENT LIABILITIES			
Bank overdrafts and short-term loans from financial institution	15	17,037,486	2,864,119
Trade and other payables	16	23,170,343	18,788,677
Current portion of long-term loans from financial institution	17	39,444,994	-
Short-term loans from related person	5	29,900,000	-
Estimated cost payables		13,887,457	18,634,590
Retention payables		18,323,848	20,047,437
Advance receive from contruction	19	6,167,682	11,195,593
Advance receive from sale of property development		28,361,861	-
Other current liabilities		4,759,451	8,103,419
Total Current Liabilities		181,053,122	79,633,835
NON-CURRENT LIABILITIES			
Long-term loans from financial institution	17	-	51,924,994
Employee benefit obligations	18	10,854,339	9,347,820
Total Non-current Liabilities		10,854,339	61,272,814
Total Liabilities		191,907,461	140,906,649

Notes to financial statements form an integral part of these statement

STATEMENT OF FINANCIAL POSITION (CONT.)

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

AS AT DECEMBER 31, 2018

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht	
	Note	2018	2017
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital:	20		
227,760,073 ordinary shares, Baht 1 par value		227,760,073	227,760,073
Issued and paid-up share capital			
190,080,063 ordinary shares, Baht 1 par value		190,080,063	190,080,063
Premium on shares	20, 22	68,318,028	68,318,028
Deficit		(133,561,617)	(91,876,747)
Total Shareholders' Equity		124,836,474	166,521,344
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		316,743,935	307,427,993

Notes to financial statements form an integral part of these statement

STATEMENT OF COMPREHENSIVE INCOME

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	Baht	
		2018	2017
Revenue from sales and services	5, 27	103,082,780	141,659,017
Cost of sales and services	27	(85,306,817)	(113,552,894)
Gross profit		17,775,963	28,106,123
Other income	5	11,061,021	8,395,922
Distribution costs		(1,137,497)	(11,026,863)
Administrative expenses	5, 23	(50,508,790)	(58,466,493)
Finance cost	5	(3,704,628)	(5,408,306)
Share of loss from investment in joint venture	10	(11,336,310)	(9,245,465)
Profit (loss) before income tax		(37,850,241)	(47,645,082)
Tax expense (income)	24	3,182,462	(2,358,423)
Profit (loss) for the year		(41,032,703)	(45,286,659)
Other comprehensive income			
Items that will may be reclassified to profit or loss			
Actuarial gains (loss) on defined employee benefit plan, net of tax	18	(652,167)	690,668
Income tax relating to defined benefit plan actuarial gain	24	-	(138,134)
Items that may be reclassified subsequently to profit or loss			
Share of other comprehensive loss of joint venture	10	-	(68,519)
Other comprehensive income for the year - net of tax		(652,167)	484,015
Total comprehensive income (loss)		(41,684,870)	(44,802,644)
Earnings per share			
Basic earnings (loss) per share	25	(0.22)	(0.28)
Weighted average number of ordinary shares (Shares)	25	190,080,063	160,049,149

Notes to financial statements form an integral part of these statement

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2018

Baht

		Issued and paid-up share capital	Premium on shares	Deficit	Total
	Note				
Beginning balance as at January 1, 2017		126,720,042	56,413,239	(47,074,103)	136,059,178
Changes in shareholders' equity					
Increase in ordinary shares	20	63,360,021	11,904,789	-	75,264,810
Comprehensive income					
Profit (loss) for the year		-	-	(45,286,659)	(45,286,659)
Other comprehensive income (loss) for the year		-	-	484,015	484,015
Balance as at December 31, 2017		190,080,063	68,318,028	(91,876,747)	166,521,344
Changes in shareholders' equity					
Comprehensive income					
Profit (loss) for the year		-	-	(41,032,703)	(41,032,703)
Other comprehensive income (loss) for the year		-	-	(652,167)	(652,167)
Balance as at December 31, 2018		190,080,063	68,318,028	(133,561,617)	124,836,474

Notes to financial statements form an integral part of these statement

STATEMENT OF CASH FLOWS

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	(37,850,241)	(47,645,082)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (used in) operating activities		
Reversed of doubtful accounts	(419,912)	-
Doubtful debts	1,068,047	-
Depreciation and amortization	2,683,564	4,357,359
(Gain) loss on sale and written-off assets	(825,137)	43,747
Amortization of advance payment	70,000	-
Employee benefit obligation expenses	854,352	1,814,960
Estimate cost overrun	-	4,567,258
Estimate cost of rectification and maintenance expense	3,468,215	-
Gain written off liabilities	(4,241,309)	-
Interest income	(238,661)	(178,254)
Interest expenses	3,704,627	5,408,306
Gain on sales of investment	-	(18,343)
Share of loss from investment in joint venture	11,336,310	9,245,465
Profit (loss) from operating activities before change in operating assets and liabilities	(20,390,145)	(22,404,584)
Change in operating assets (increase) decrease		
Trade and other receivables	(32,110,675)	10,409,338
Unbilled receivables	10,375,374	14,080,518
Work in progress	(1,141,621)	3,545,904
Cost of property development	9,013,772	49,453,872
Other current assets	(4,366,810)	7,538,196
Restricted bank deposits	924,191	(1,578,172)
Other non-current assets	13,593,639	1,606,951

Notes to financial statements form an integral part of these statement

STATEMENT OF CASH FLOWS (CONT.)

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht	
	2018	2017
Change in operating liabilities increase (decrease)		
Trade and other payables	4,031,387	(22,991,350)
Estimated cost	(8,215,348)	(10,085,926)
Retention payables	2,517,720	786,930
Advances receive from contruction	(5,027,911)	4,792,247
Advances receive from sale of property development	28,361,861	(36,409,654)
Other current liabilities	(3,343,968)	1,587,743
Cash generated from operations	(5,778,534)	332,013
Interest received	88,120	178,554
Income tax refund	17,959,424	17,202,297
Income tax paid	(1,631,900)	(3,304,709)
Net cash provided by operating activities	10,637,110	14,408,155
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in current investment	-	(15,000,000)
Decrease in current investment	-	15,018,343
Payments for investment in joint venture	(15,750,000)	(26,250,000)
Receipt from short-term loans to related parties	-	9,827,500
Payments for short-term loans to related parties	(17,630,531)	(9,827,500)
Purchase of equipment	(65,785)	(103,168)
Cash received from sale of equipment	971,963	-
Net cash used in investing activities	(32,474,353)	(26,334,825)

Notes to financial statements form an integral part of these statement

STATEMENT OF CASH FLOWS (CONT.)

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2018

	Baht	
	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in bank overdrafts and short-term loans from financial institution	14,173,367	(14,398,381)
Proceed from long-term loans from financial institution	-	39,999,094
Repayment of long-term loans from financial institution	(12,480,000)	(69,017,000)
Proceeds from short-term loans from other person	-	10,000,000
Repayment of short-term loans from other person	-	(40,000,000)
Proceeds from short-term loans from related person	29,900,000	15,700,000
Repayment of short-term loans from related person	-	(15,700,000)
Proceed from issued ordinary shares	-	75,264,810
Interest paid	(3,354,348)	(5,479,193)
Net cash provided by (used in) financing activities	28,239,019	(3,630,670)
Net increase (decrease) in cash and cash equivalents	6,401,776	(15,557,340)
Cash and cash equivalents at beginning of year	908,875	16,466,215
Cash and cash equivalents at end of year	7,310,651	908,875

Notes to financial statements form an integral part of these statement

NOTES TO THE FINANCIAL STATEMENTS

FOCUS DEVELOPMENT AND CONSTRUCTION PUBLIC COMPANY LIMITED

FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

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

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 financial statements are prepared using the same basis as were used for the financial statements in which the equity method, consisted of the financial statements of Focus Development and Construction Public Company Limited and the interest in joint venture which included interest in the subsidiary of joint venture as follows:

Name of entity	Located in	Business type	Percentage of holding (%)	
			2018	2017
Joint venture				
Focus Wheig Corporation Limited	Thailand	Jointly investment in integrated waste management business and waste to energy business solutions	60.00	60.00

On September 12, 2016, the Company entered into Joint Venture Agreement with Wheig S.A.S., which was incorporated in France to jointly set up and invest in a joint venture namely “Focus Wheig Corporation Limited” (“the joint venture”) which was incorporated in Thailand on October 5, 2016 (see Note 10).

3. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENT

3.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

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

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from such financial statements in Thai language.

3.2 The financial reporting standards are effective in the current year

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the revised accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards, which are effective for the fiscal year beginning on or after January 1, 2018 are as follows:

TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 20 (revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible assets
TAS 40 (revised 2017)	Investment Property
TAS 41 (revised 2017)	Agriculture
TFRS 2 (revised 2017)	Share-Based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 4 (revised 2017)	Insurance Contracts
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2017)	Exploration for and Evaluation of Mineral Resource

TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC 10 (revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2017)	Operating Leases - Incentives
TSIC 25 (revised 2017)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2017)	Service Concession Arrangements: Disclosure
TSIC 31 (revised 2017)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2017)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Concession Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	TAS 19 (revised 2017)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 20 (revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2017)	Levies

The management of the Company evaluated that these revised accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations do not have any significant impact on the financial statements in current year.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 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 recognized 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 recognized in profit or loss 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 profit or loss.

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 (if any).

Rental income

Rental income under operating leases is recognized in profit or loss 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.

Interest income and other income

Interest income is recognized as interest accrues, based on the effective rate method.

Other income is recognized on an accrual basis.

Expenses

Expenses are recognized in profit or loss as it accrues.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less excluded cash at banks on obligation.

4.3 Current investment

Marketable equity securities held for trading are stated at fair value, with any resultant gain or loss recognized in profit or loss.

The weighted average method is used to determine the cost of each investment at the time of sales.

4.4 Trade and other receivables

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

The Company records 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.

4.5 Cost of property development

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

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

The Company recognizes 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.

4.6 Joint arrangement

Investment in joint arrangement is classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Company has assessed the nature of its joint arrangement and determined it to be joint venture. The Company recognizes investment in joint venture by using the equity method.

Under the equity method of accounting, interest in joint venture is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Company's net investment in the joint venture), the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Company.

4.7 Subsidiary of joint venture

Subsidiary is entity controlled by the joint venture. The joint venture controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the joint venture.

4.8 Business combination

The joint venture applies the acquisition method for all business combinations when control is transferred to the joint venture other than those with entities under common control.

The joint venture controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the fair value of the identifiable assets acquired and liabilities exceeds the fair value of the consideration transferred, the excess is immediately recognized as gain in profit or loss.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the joint venture to the previous owners of the acquiree, and equity interests issued by the joint venture. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The joint venture measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the joint venture incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the joint venture reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or addition assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Goodwill is carried at cost less any allowance for impairment. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

4.9 Building and equipment

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

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

Depreciation of plant and equipment is calculated by cost less residual value on the straight-line basis over the following estimated useful lives of assets as follows:

	<u>Years</u>
Construction	5
Machinery and equipment	5 - 10
Furniture and office equipment	5
Vehicles	5 - 10

The Company has reviewed the residual value and useful life of the assets every year.

The depreciation for each asset component is calculated on the separate components when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on construction in progress and equipment under installation.

Building and equipment are written off at disposal. Gains or losses arising from sale or write-off of assets are recognized in the statement of comprehensive income.

4.10 Intangible assets

Intangible assets that are acquired by the Company with finite useful lives are stated at cost less accumulated amortization and allowance on impairment (if any).

The cost of an internally generated intangible asset comprises all directly attributable cost necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Intangible assets are amortized in the statement of comprehensive income on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are as follows:

	Years
Intangible assets	5 - 10

The useful lives are reviewed by the Company every year.

The amortization is included in the determination of income.

Research expenditure is recognized as expense when incurred. Intangible assets involved in new product and service design and development are recognized as assets when it is probable about the success of the project as well as feasible in terms of commerce and technology. Other development expenditure is recognized as expense when incurred.

4.11 Impairment of assets

The carrying amounts of the Company's assets are reviewed at each in the statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest component of finance lease payments is recognized in profit or loss using the effective interest rate method.

4.13 Operating leases

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

4.14 Finance lease

Leases of assets 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 profit or loss over the lease period. The assets acquired under finance lease contract is depreciated over the shorter of the useful life of the asset or the lease term.

4.15 Employee benefits

Short-term benefits

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

Post-employment benefits - defined contribution 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 profit or loss 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 recognized 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 benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the actuarial assumptions are changed, the Company recognizes all actuarial gains (losses) immediately in other comprehensive income.

4.16 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:

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.

Provision for after-sale maintenance expense

The Company estimates provision for after-sale maintenance expenses based on actual historical maintenance expenses and/or currently available information related to the cost of various types of repair work.

Estimating costs of rectification in the period of guarantee work

Management applies judgement in estimating the costs of rectification in the period of guarantee work which 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.

4.17 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in 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 recognized 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 recognized 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.

4.18 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applied a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measured fair value using valuation techniques that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

Most of the financial assets are cash and cash equivalent, trade and other receivables, current investment and most of the financial liabilities are trade and other payables which are short-term credit. The carrying amounts of the financial assets and financial liabilities are not significantly different from their fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determined whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4.19. Earnings (loss) per share

Basic earnings (loss) per share is calculate by dividing profit for the year attributable to equity holders of the parent company of the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

4.20 Diluted earnings (loss) per share

Diluted earnings (loss) per share for the year is calculated by dividing the profit (loss) for the year of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the periods 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 share into ordinary shares when the exercise price is lower than fair value of ordinary shares.

5. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Company and those related parties.

Nature of relationship

Name	Country/Nationality	Relation	Type of relation
Focus Wheig Corporation Limited	Thailand	Joint venture	Jointly control by the Company
Focus Wheig Bangna Limited	Thailand	Subsidiary of joint venture	Power to control and shareholding by the joint venture
Data In Motion Co., Ltd.	Thailand	Related company	Common director
Mr. Anucha Sihanatkathakul	Thailand	Director	Director

Bases of measurement for inter company revenues and expenses

	Pricing Policy
Revenue from construction services	Stipulate in the agreement
Management fee income	Stipulate in the agreement
Interest income	MLR+1
Other service income	Stipulate in the agreement
Purchase of equipment	Market price
Interest expenses	MOR

- 5.1 The significant related party transactions for the years ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Revenue from construction services		
Focus Wheig Bangna Limited	46,457,394	-
Management fee income		
Focus Wheig Bangna Limited	4,200,000	4,800,000
Interest income		
Focus Wheig Corporation Limited	150,892	1,079
Focus Wheig Bangna Limited	-	62,860
Other service income		
Focus Wheig Bangna Limited	157,295	64,113
Related person	-	287,211
Purchase of equipment		
Data In Motion Co., Ltd.	-	93,000
Interest expense		
Director	351,065	186,695
Miscellaneous expense		
Data In Motion Co., Ltd.	-	9,150

5.2 The significant balances with related parties as at December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Trade and other receivable		
Focus Wheig Bangna Limited	24,442,224	6,488,601
Short-term loans to related parties		
Focus Wheig Corporation Limited	17,630,531	-
Accrued interest income		
Focus Wheig Corporation Limited	150,892	-
Retention receivables		
Focus Wheig Bangna Limited	1,333,835	-
Short-term loans to related person		
Director	29,900,000	-
Accrued interest expenses		
Director	351,065	-

5.3 Short-term loans to related parties

Movements of short-term loans to related parties for the years ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Balance as at the beginning	-	-
Increase	17,630,531	9,827,500
Decrease	-	(9,827,500)
Balance as at the end	17,630,531	-

The Company has short-term loans to Focus Wheig Corporation Limited by issuing promissory notes, due at call with the interest rate MLR + 1 per annum, without collateral.

5.4 Short-term loans from related person

Movements of short-term loans from related person for the years ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Beginning	-	-
Increase	29,900,000	15,700,000
Decrease	-	(15,700,000)
Ending	<u>29,900,000</u>	<u>-</u>

The Company has short-term loans from director by issuing promissory notes, due at call with the interest rate MOR per annum, without collateral.

5.5 Key management personnel compensation

Key management personnel compensation for the years ended December 31, 2018 and 2017 consisted of:

	Baht	
	2018	2017
Short-term benefits	10,808,415	10,502,833
Post-employment benefits	369,166	887,942
Total	<u>11,177,581</u>	<u>11,390,775</u>

6. CASH AND CASH EQUIVALENTS

	Baht	
	2018	2017
Cash on hand	122,159	198,374
Cash at bank	7,188,492	710,501
Total	<u>7,310,651</u>	<u>908,875</u>

7. TRADE AND OTHER RECEIVABLES

	Baht	
	2018	2017
Trade accounts receivable		
- Related parties	13,742,224	-
- Others	6,327,964	886,557
Note receivable	8,179,000	-
	28,249,188	886,557
<u>Less</u> Allowance for doubtful accounts	-	(886,557)
Trade accounts receivable - net	28,249,188	-
Other receivables		
- Related party	10,850,892	6,488,601
- Other parties	312,204	312,555
Total other receivables	11,163,096	6,801,156
Total	39,412,284	6,801,156

The movements of the allowance for doubtful debts are as follow :

	Baht	
	2018	2017
Allowance for doubtful debts - beginning	(886,557)	(886,557)
<u>Add</u> Additional allowances	-	-
<u>Less</u> Reversing of allowances	886,557	-
Allowance for doubtful debts - ending	-	(886,557)

As at December 31, 2018, the full amount of reversal of allowance for doubtful debts decrease due to receive payment of Baht 466,645 and reversal in the amount Baht 419,912.

The Company had outstanding balances of trade accounts receivable aged by number of months as follows:

	Baht	
	2018	2017
Less than or equal to 3 months	28,149,188	-
More than 3 to 6 months	-	-
Over 12 months	-	886,557
Total	28,149,188	886,557

As at December 31, 2018, the Company received promissory notes amount Baht 8.18 million and sales discounted bills to a financial institution.

8. COST OF PROPERTY DEVELOPMENT

	Baht	
	2018	2017
Land	74,962,218	78,874,560
Construction cost	84,183,942	88,577,574
Promotion expenses	9,428,922	9,888,918
Capitalised interest and financial costs	4,747,994	4,995,796
Total	173,323,076	182,336,848

The Company has mortgaged the land and constructed of the project Focus Ploenchit were mortgaged as collateral with financial institutions (see Notes 15 and 17) as follow :

	Credit Facilities (Million Baht)	
	2018	2017
Bank overdrafts	5	5
Long-term loans from financial institutions	40	90
Letter of guarantee	25	25
Total	70	120

9. RESTRICTED BANK DEPOSITS

Restricted bank deposits the financial statements as at December 31, 2018 and 2017 in the amount of Baht 7.43 million and Baht 8.35 million were pledged as collateral for credit lines from financial institutions as follows (see Notes 15 and 17)

- 1) Bank overdraft facilities in the amount of Baht 3.00 million (year 2017 : Baht 3.00 million).
- 2) Projects' facilities of promissory notes in the amount of Baht 38.00 million (year 2017 : Baht 73.00 million).
- 3) Letter of guarantee facilities in the amount of Baht 101.95 million (year 2017 : Baht 146.15 million).

10. INVESTMENT IN JOINT VENTURE

Company	Business type	Located in	Percentage of holding (%)		Thousands Baht					
					Paid-up share		Cost		Equity	
			2018	2017	2018	2017	2018	2017	2018	2017
Focus Wheig Corporation Limited	Jointly investment in integrated waste management business and waste to energy business solutions	Thailand	60	60	85,000	58,750	51,000	35,250	28,784	24,370

On September 12, 2016, the Company entered into Joint Venture Agreement with Wheig S.A.S., which was incorporated in France to jointly set up and invest in a joint venture namely “Focus Wheig Corporation Limited” (“the joint venture”) which was incorporated in Thailand on October 5, 2016. The joint venture operates on the investment business in the integrated waste management business and waste to energy business solutions with registered capital in the amount of Baht 15 million divided into 1,500,000 ordinary shares at par value Baht 10 each, and the Company will jointly invest in 60% shareholding of the registered capital and voting right of this joint venture in the investment amount of Baht 9 million. The Company has subscribed paid-up share capital fully amount and jointly control with Wheig S.A.S. in this joint venture and any decision in the joint venture’s activities shall be approved by the unanimous of the Company and Wheig S.A.S. On August 15, 2017, Wheig S.A.S. transferred all shares, rights and commitments as the Joint Venture Agreement to Wheig Asia Limited which was incorporated in Hong Kong’s People’s Republic of China.

At the Extraordinary Meeting of Shareholders of the joint venture held on September 7, 2017, a resolution was passed the increase of its registered capital from existing of Baht 15 million to Baht 50 million by issuing new 3,500,000 ordinary shares at the par value of Baht 10 each. The Company invested additional investment in the joint venture of 2.10 million shares at the par value of Baht 10 each in totaling amount of Baht 21 million at 60% existing shareholding which the Company fully paid-up the increased capital for the purpose of land acquisition and working capital for Focus Wheig Bangna Limited (“the subsidiary of the joint venture”). The joint venture registered the increase of its capital with the Ministry of Commerce on September 8, 2017.

At the Extraordinary Meeting of Shareholders of the joint venture held on November 7, 2017, a resolution was passed the increase of its registered capital from existing of Baht 50 million to Baht 85 million by issuing new 3,500,000 ordinary shares at the par value of Baht 10 each. The Company invested additional investment in the joint venture of 2.10 million shares at the par value of Baht 10 each in totaling amount of Baht 21 million at 60% existing shareholding which the joint venture called additional share subscription of Baht 5.25 million for the purpose of the plant construction for waste management and waste to energy solutions of Focus Wheig Bangna Limited (“the subsidiary of the joint venture”). The joint venture registered the increase of its capital with the Ministry of Commerce on November 9, 2017.

In the year 2018, joint venture called get paid for ordinary shares in the amount of Baht 15.75 million.

Movement of investments in joint ventures under the cost method for the year ended December 31, 2018 and 2017 were as follows :

	Baht	
	2018	2017
Beginning	35,250,000	9,000,000
<u>Add</u> additional investment	15,750,000	26,250,000
<u>Less</u> sale investment	-	-
Ending	<u>51,000,000</u>	<u>35,250,000</u>

Movements of investment in joint venture under the equity method for the year ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Beginning	24,369,931	7,433,915
Additional investment	15,750,000	26,250,000
Share of loss from investment in joint venture	(11,336,310)	(9,245,465)
Share of other comprehensive loss of joint venture	-	(68,519)
Ending	<u>28,783,621</u>	<u>24,369,931</u>

Significant financial information in the consolidated financial statements of joint venture:

Summary of the consolidated financial position as at December 31, 2018 and 2017

	Baht	
	2018	2017
Current assets	10,823,840	6,281,298
Non-current assets	123,845,800	51,833,631
Current liabilities	(75,476,663)	(16,471,420)
Non-current liabilities	(5,588,682)	(1,026,924)
	53,604,295	40,616,585
<u>Add</u> Adjusted gain (loss) in related transactions	(5,631,560)	-
Net assets	47,972,735	40,616,585
Shareholding percentage (%)	60	60
Carrying amount of interest in joint venture	<u>28,783,621</u>	<u>24,369,931</u>

Summary of comprehensive income for the years ended December 31, 2018 and 2017

	Baht	
	2018	2017
Income	506,094	15,017
Loss for the year	(13,262,289)	(15,409,109)
Other comprehensive loss	-	(114,199)

Acquisition of joint venture

Investment in subsidiary of the joint venture presented at cost in the financial statements of the joint venture as at December 31, 2018 and 2017 consisted of:

Subsidiary of joint venture	Baht					
	Percentage of holding (%)		Paid-up share capital		Cost	
	2018	2017	2018	2017	2018	2017
Focus Wheig Bangna Limited	100	100	81,000,000	48,000,000	76,000,001	43,000,001

On October 18, 2016, Focus Wheig Corporation Limited (“the joint venture”) entered into the Share Transfer Agreement with former shareholders of Wheig (Thailand) Company Limited to purchase of ordinary shares of Wheig (Thailand) Company Limited which was incorporated in Thailand and registered the change of its name to Focus Wheig Bangna Limited (“the subsidiary of joint venture”) which operates on the investment business in the waste management business and waste to energy business solutions with registered capital in the amount of Baht 5 million divided into 50,000 ordinary shares at par value Baht 100 each.

The joint venture will purchase ordinary shares from former shareholders in 99.99% shareholding of the registered share capital of such company in 49,998 shares, at the total acquisition cost of Baht 1.

On October 19, 2016, the Company entered into Amendment to the Joint Venture Agreement with Wheig S.A.S., to agree the payment of pre - operating expenses that had been spent to bring the waste management business in the subsidiary of joint venture in the amount of Baht 40.80 million to Wheig S.A.S. as following:

1. The joint venture will provide a loan to the subsidiary of joint venture.
2. The subsidiary of joint venture will pay in 60% of the amount of Baht 13.60 million which is the amount of Baht 8.16 million after the payment of share capital and formation of the joint venture and ;
3. The subsidiary of joint venture will pay in 40% of the amount of Baht 13.60 million which is the amount of Baht 5.44 million upon the successful commissioning of all machines and equipment of the first project.

Later on October 12, 2018, the Company entered into the additional agreement to amend to Joint venture agreement with the investor to agree the payment of pre-operating at 40% of Baht 13.60 million which is the amount of Baht 5.44 million to Wheig S.A.S. as following:

1. The subsidiary of joint venture will pay in 30% the amount of Baht 5.44 million which is the amount of Baht 1.64 million when the audit facilities from financial institution or the reliable loan source are approved and the completion of production line construction of bio fertiliger from the first project and
2. The subsidiary of joint venture will pay in 70% the amount of Baht 5.44 million which is the amount of Baht 3.80 million upon the successful commissioning of all machine and equipment of the first project.

On November 15, 2017, the subsidiary of joint venture entered into the agreement to purchase and sale for land in the amount of Baht 30 million for the construction of the plant for waste management and waste to energy solutions, which was fully paid.

At the Extraordinary Meeting of Shareholders of the subsidiary of joint venture held on August 18, 2017, a resolution was passed to increase its registered share capital from existing of Baht 5 million to Baht 37 million by issuing new 320,000 ordinary shares at the par value of Baht 100 each. The subsidiary of joint venture called additional share subscription of Baht 32 million which the joint venture invested in such amount in 100% existing shareholding. The subsidiary of joint venture received such share subscription and registered the increase of its capital with the Ministry of Commerce on September 15, 2017.

At the Extraordinary Meeting of Shareholders of the subsidiary of joint venture held on November 7, 2017, a resolution was passed to increase its registered share capital from existing of Baht 37 million to Baht 81 million by issuing new 440,000 ordinary shares at the par value of Baht 100 each. The subsidiary of joint venture called additional share subscription of Baht 11 million which the joint venture invested in such amount in 100% existing shareholding. The subsidiary of joint venture received such share subscription and registered the increase of its capital with the Ministry of Commerce on November 13, 2017.

In 2018, the joint venture had paid for the ordinary shares capital increase in a subsidiary in amounting to Baht 33 million. The investment proportion is 100%.

Movements of investment in the subsidiary of joint venture under the cost method for the years ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Beginning	43,000,001	1
Increase	33,000,000	43,000,000
Decrease	-	-
Ending	76,000,01	43,000,001

The joint venture recognized the acquisition in accordance with TFRS 3 (revised 2016) Business Combinations. All the information consideration transferred and recognition amount of each of the significant assets acquired and liabilities assumed as of the acquisition date were as follows:

	Baht
	Fair value
Cash and cash equivalents	43,747
Other current assets	40,688
Intangible assets - waste management contract	3,982,444
Trade and other payables	(16,086,752)
Other current liabilities	(1,085)
Deferred tax liabilities	(796,489)
Net Assets	(12,817,447)
Goodwill	12,817,448
Consideration transferred	1
Cash received from acquisition of subsidiary of joint venture	(43,747)
Cash received from acquisition of subsidiary of joint venture - net	(43,746)

On August 8, 2017, the joint venture determined the fair value of total assets acquired and liabilities assumed which had valued in the total amount of Baht 12.78 million and goodwill in the amount of Baht 12.78 million. On October 11, 2017, the joint venture obtained new information, the joint venture adjusted fair value of recognized assets or liabilities existed at the acquisition date in the amount of Baht 12.82 million and goodwill of Baht 12.82 million in the consolidated statement of financial position of the joint venture. The Company had interest in joint venture at 60%, therefore the Company had interest in goodwill of joint venture in the amount of Baht 7.69 million.

The factors contributing to the goodwill are waste management contracts in the future. Goodwill arising from the business combination is recognized in the consolidated statement of financial position of joint venture and is not amortized.

11. BUILDING AND EQUIPMENT

	Baht				
	Construction	Machinery and equipment	Furniture and office equipment	Vehicles	Total
Cost					
As at January 1, 2017	619,952	71,900,210	13,455,454	9,571,453	95,547,069
Purchases/transfer in	-	-	103,168	-	103,168
Adjust/transfer out	-	(64,100)	(5,296)	-	(69,396)
As at December 31, 2017	619,952	71,836,110	13,553,326	9,571,453	95,580,841
Purchases/transfer in	-	5,785	60,000	-	65,785
Adjust/transfer out	-	(3,204,332)	(13,803)	(2,239,000)	(5,457,135)
As at December 31, 2018	619,952	68,637,563	13,599,523	7,332,453	90,189,491
Accumulated depreciation					
As at January 1, 2017	191,873	63,342,687	11,705,196	8,011,379	83,251,135
Depreciation	123,990	2,519,791	1,062,566	149,853	3,856,200
Adjust/transfer out	-	(21,683)	(3,966)	-	(25,649)
As at December 31, 2017	315,863	65,840,795	12,763,796	8,161,232	87,081,686
Depreciation	123,991	1,411,737	549,702	148,125	2,233,555
Adjust/transfer out	-	(3,193,566)	(6,745)	(2,109,998)	(5,310,309)
As at December 31, 2018	439,854	64,058,966	13,306,753	6,199,359	84,004,932
Net book value					
As at December 31, 2017	304,089	5,995,315	789,530	1,410,221	8,499,155
As at December 31, 2018	180,098	4,578,597	292,770	1,133,094	6,184,559

	Baht	
	2018	2017
Depreciation for the years ended December 31, was included in		
Cost of construction	6,556	248,138
Administrative expenses	2,226,999	3,608,062
Total	2,233,555	3,856,200
As at December 31, the carrying amount before accumulated depreciation which have been depreciated and still in use	73,209,984	70,578,299

12. INTANGIBLE ASSETS

	Baht
	<u>Computer program</u>
Cost	
As at January 1, 2017	4,402,350
Purchases/transfer in	-
Disposals/transfer out	-
As at December 31, 2017	4,402,350
Purchases/transfer in	-
Disposals/transfer out	-
As at December 31, 2018	<u>4,402,350</u>
Accumulated amortization	
As at January 1, 2017	1,209,028
Amortization	501,159
Disposals/transfer out	-
As at December 31, 2017	1,710,187
Amortization	450,009
Disposals/transfer out	-
As at December 31, 2018	<u>2,160,196</u>
Net book value	
As at December 31, 2017	<u>2,692,163</u>
As at December 31, 2018	<u>2,242,154</u>

Amortization for the years ended December 31, 2018 and 2017 in the amount of Baht 0.45 million and 0.50 million, respectively, was included in cost of sales and services and administrative expenses.

13. DEFERRED TAX

Change in deferred tax assets for the years ended December 31, 2018 and 2017 were as follows:

	Baht		
	Per book	Income (expense) in during the year	Per book
	As at December	In profit (loss)	As at December
	31, 2017	In other comprehensive income (loss)	31, 2018
Deferred tax assets			
Allowance for doubtful accounts	1,774,240	(177,311)	1,596,929
Cost of property development	869,793	(43,143)	826,650
Employee benefit obligation	1,869,564	-	1,869,564
Tax loss carry forward	10,066,074	(2,962,008)	7,104,066
Total	14,579,671	(3,182,462)	11,397,209

	Baht		
	Per book	Income (expense) in during the year	Per book
	As at December	In profit (loss)	As at December
	31, 2016	In other comprehensive income (loss)	31, 2017
Deferred tax assets			
Allowance for doubtful accounts	1,774,240	-	1,774,240
Cost of property development	1,109,407	(239,614)	869,793
Employee benefit obligation	1,644,706	362,992	1,869,564
Tax loss carry forward	7,831,029	2,235,045	10,066,074
Total	12,359,382	2,358,423	14,579,671

14. OTHER NON-CURRENT ASSETS

	Baht	
	2018	2017
Retention receivables	15,348,323	25,378,857
Guarantee and deposits	1,567,573	5,075,173
Withholding tax	4,936,610	21,264,134
Others	1,267,509	1,323,014
Total	23,120,015	53,041,178
<u>Less</u> Allowance for doubtful debts - retention receivables	(9,052,690)	(7,984,643)
Net	14,067,325	45,056,535

Retention receivables are warranty monies deducted retention by the customers at the rate of 5% 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.

The movements of allowance for doubtful debts are as follows:

	Baht	
	2018	2017
Allowance for doubtful debts - beginning	(7,984,643)	(7,984,643)
<u>Add</u> Additional allowances	(1,068,047)	-
<u>Less</u> Reversed of doubtful debts	-	-
Allowance for doubtful debts - ending	<u>(9,052,690)</u>	<u>(7,984,643)</u>

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

	Baht	
	2018	2017
Bank overdrafts	10,537,486	2,864,119
Short-term loans from financial institutions	6,500,000	-
Total	<u>17,037,486</u>	<u>2,864,119</u>

The Company has credit facilities with financial institutions consisted of:

Type	Credit Facilities (Million Baht)		Referred interest rate (% per annum)	
	2018	2017	2018	2017
Bank overdrafts	23.00	23.00	MOR, Fixed deposit + 1.5%	MOR, Fixed deposit + 1.5%
Promissory notes/short-term loans	38.00	73.00	MLR, MOR	MLR, MOR
Letter of guarantee	306.95	351.15	-	-
	<u>367.95</u>	<u>447.15</u>		

As at December 31, 2018 and 2017, the Company has collateral as follows :

Type	Credit Facilities (Million Baht)		Collateral
	2018	2017	
Bank overdrafts	3.00	3.00	Company's fixed deposit.
	15.00	15.00	Guarantee by a third party.
	5.00	5.00	Mortgaged by Focus Ploenchit project.
	<u>23.00</u>	<u>23.00</u>	
Promissory notes	38.00	73.00	Company's fixed deposit and/or transferred account receivable rights received from some projects.
Letter of guarantee	101.95	146.15	Company's fixed deposit and/or transferred account receivable rights received from some projects.
	25.00	25.00	Mortgaged by Focus Ploenchit project.
	180.00	180.00	No collateral.
	<u>306.95</u>	<u>351.15</u>	
Total	<u>367.95</u>	<u>447.15</u>	

A third party guarantees without charging for compensation from guarantee.

16. TRADE AND OTHER PAYABLES

	Baht	
	2018	2017
Trade account payables	16,383,004	7,207,208
Accrued expenses	4,787,339	9,307,469
Other payables	2,000,000	2,274,000
Total	23,170,343	18,788,677

17. LONG-TERM LOANS FROM FINANCIAL INSTITUTION

	Baht	
	2018	2017
Long-term loans from financial institution	39,444,994	51,924,994
<u>Less</u> Current portion	(39,444,994)	-
Net	-	51,924,994

The details of loans from financial institution :

Credit Facilities	Credit Facilities (Million Baht)		Period	Interest rate per annum	Repayment
	2018	2017			
1	-	50.00	June 2016 - June 2019	MLR-1	when transfer right of residential condominium unit and interest paid on a monthly basis
2	40.00	40.00	August 2017 - August 2020	MLR-0.5	when transfer right of residential condominium unit and interest paid on a monthly basis
Total	40.00	90.00			

Movements of long-term loans from financial institution for the years ended December 31, 2018 and 2017 were as follows:

	Baht	
	2018	2017
Beginning balance	51,924,994	80,942,900
Increase	-	39,999,094
Decrease	(12,480,000)	(69,017,000)
Ending balance	39,444,994	51,924,994

The Company mortgaged land together with construction at Focus Ploenchit project as collateral for loans (see Note 8)

18. EMPLOYEE BENEFITS OBLIGATIONS

- 18.1 Movement of the present value of employee benefit obligations for the years ended December 31, 2018 and 2017 as follows:

Statement of financial position

	Baht	
	2018	2017
Employee benefit obligations - beginning balance	9,347,820	8,223,528
Current service and interest cost	854,352	1,814,960
Paid	-	-
Loss (gain) estimation over actuarial principles	652,167	(690,668)
Employee benefit obligations - ending balance	10,854,339	9,347,820

As at December 31, 2018 and 2017 the weighted average duration of the liabilities for post-employment benefits is 6.55 years and 7.38 years, respectively.

Expense recognized in the statement of comprehensive income

For the years ended December 31, 2018 and 2017 are as follows:

	Baht	
	2018	2017
The statement of comprehensive income		
Recognized in profit or loss		
Current service cost		
Administrative expenses	854,352	1,814,960
Recognized in other comprehensive income		
Loss (gain) estimation over actuarial principles	652,167	(690,668)
Total	1,506,519	1,124,292

- 18.2 Gains and loss from the estimate based on actuarial principles recognized in the statement of comprehensive income for the years ended December 31, 2018 and 2017 arise from

Recognized in the statement of other comprehensive income

	Baht	
	2018	2017
Improvements from experience	519,881	(690,668)
Population assumptions	(397,448)	-
Financial assumptions	529,734	-
Total	652,167	(690,668)

18.3 The main assumptions in the assessment financial assumptions

For the years ended December 31, 2018 and 2017 are as follows:

	Percentage	
	2018	2017
Discount rate	2.03	2.40
Salary increase rate	5.00	6.50
Turnover rate	5.73 - 68.76	6.00 - 52.50
Mortality rate	Thai Mortality Ordinary Table 2017	Thai Mortality Ordinary Table 2008

18.4 Sensitivity analysis

The result of sensitivity analysis for significant assumptions that affect the present value of employee benefit obligations as at December 31, 2018 and 2017 are summarised below:

	Baht			
	2018		2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(205,454)	217,112	(572,835)	633,757
Salary increase rate (1% movement)	429,125	(392,897)	711,443	(655,170)
Turnover rate (20% movement)	(602,643)	729,213	(487,701)	542,270

On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a New Labour Protection Act, which is in the process being enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. When the labour law comes into force, the Company and its subsidiaries will recognize the increase in the employee benefits obligations approximately Baht 2.69 million and the profit are decreased at the same amount.

19. CONSTRUCTION CONTRACTS

For the years ended December 31, 2018 and 2017 construction contracts were as follows:

	Baht	
	2018	2017
Value of contracts	172,985,497	1,010,215,667
Costs incurred up to the year	131,408,082	865,257,253
Estimated profit recognized up to the year	10,136,306	7,361,560
Costs and estimated profit recognized up to the year	141,544,388	872,618,813
<u>Less</u> Amount billed to customers up to the year	<u>(145,705,005)</u>	<u>(871,431,967)</u>
Unbilled receivables	<u>2,007,065</u>	<u>12,382,439</u>
Advance receive from construction	<u>6,167,682</u>	<u>11,195,593</u>

20. SHARE CAPITAL

The Ordinary General Meeting of Shareholders held on 22 April 2016, a resolution was passed the decreasing in the Company's registered share capital from Baht 400,000,000 to Baht 126,720,042, by deducting 273,279,958 unsold shares, at the par value of Baht 1 each. The Company registered the decrease of its registered share capital with the Ministry of Commerce on 26 April 2016.

At the Ordinary General Meeting of Shareholders held on 28 April 2017, a resolution was passed the increase of the Company's registered capital from the existing registered capital of Baht 126,720,042 to Baht 227,760,073 by issuing new 101,040,031 ordinary shares at the par value of Baht 1 each which the Company registered the increase of its registered share capital with the Ministry of Commerce on 19 May 2017 with details as follows:

1. To allocate 63,360,021 ordinary shares to offer the existing shareholders at the ratio of 2 existing shares to 1 newly issued share at the offering price of Baht 1.20 per share. The Company recorded the increase of issued and paid-up share capital in the amount of Baht 63.36 million and expenses relating to issuing the increase of share capital in the amount of Baht 0.76 million deducted from share premium account, therefore the share premium was remained in amount of Baht 11.91 million. On 26 June 2017, the Company registered the increase of its issued and paid-up share capital from receiving subscription of increased ordinary share from Baht 126,720,042 to Baht 190,080,063 with the Ministry of Commerce.

2. To issue and allocate the Warrants to purchase the Company's Ordinary Shares No. 2 (FOCUS-W2) of up to 31,680,010 units to offer the existing shareholders at the ratio of 1 newly issued share to 0.5 unit of the Warrants (Right Offering) (see Note 21).
3. To issue and allocate the Warrants of 6,000,000 units to offer the eligible directors, management and employees of the Company as ESOP Project (ESOP-Warrant) (see Note 21).

21. WARRANTS

The Warrants to purchase the Company's Ordinary Shares No. 2 (FOCUS-W2) with details as follows:

Type of securities	: Warrants to purchase newly issued ordinary shares of Focus Development and Construction Public Company Limited No. 2 (FOCUS-W2).
Type of warrants	: Specified warrant's holder and transferable.
Term of warrants	: 3 years from the issuance date.
Number of warrants	: 31,679,999 units.
Offering price	: 0 Baht per unit.
Exercise ratio	: 1 warrant will be entitled to purchase 1 newly issued ordinary share.
Exercise price	: Baht 1.80 per share.
Exercise period	: Shall be able to exercise at every last working day of each quarter. In case of the last Exercise Date, the notification period shall not be less than 15 days prior to the last Exercise Date. The last Exercise Date will be not to exceed the date of expiration of the Warrants.

As at December 31, 2018 and 2017, the Company had outstanding balance of the warrants of the Company which has not yet been exercised of 31,679,999 units.

The Warrants of 6,000,000 units were allocated to offer the eligible directors, management and employees of the Company as ESOP Project (ESOP-Warrant) at the offering price of Baht 0 per unit. The Warrants shall have a term of 5 years from the issue date and have the exercise price of Baht 1.80 per ordinary share and the exercise rate of 1 unit of the Warrants right to purchase 1 newly issued share by allocating up to 6,000,000 newly issued ordinary shares to accommodate the exercise of the Warrants with exercise period as follows:

- The exercise period is determined that the first exercise the right to purchase the newly issued shares of the Company at the end of 1 year period from the issuance date of the ESOP-Warrants and the last exercise date is the date of expiration of the Warrants, having the proportion exercise as follows:
 - Within the end of the second year, may exercise the right to purchase the newly issued shares in the proportion of up to 25%.

- Within the end of the third year, may exercise the right to purchase the newly issued shares in the proportion of up to 50%.
- Within the end of the fourth year, may exercise the right to purchase the newly issued shares in the proportion of up to 75%.
- Within the end of the fifth year, may exercise the right to purchase the newly issued shares in the proportion of up to 100%.

The warrants shall be exercised on the last business day of March, June, September and December of each year.

The Ordinary General Meeting of Shareholders passed the approval that the Board of Directors may authorize the Chairman of the Executive Director or Managing Director or any person designation to determine the grant date, terms, conditions and other details as necessary for and in connection with the issuance and offering of the warrants as ESOP-Warrant. At present, the Company has not yet determined the grant date of the ESOP Warrant.

At the Board of Directors' Meeting held on February 27, 2018, a resolution was passed to cancel the issuing and offering of the Warrants of 6,000,000 units to offer to the eligible directors, management and employees of the Company as ESOP Project (ESOP-Warrant) and was already approved from the annual general meeting of the shareholders of the Company for year 2018, held on April 27, 2018, already.

22. 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.

23. EXPENSES BY NATURE

	Baht	
	2018	2017
Salary and employee benefits	43,168,433	56,001,523
Rental and service expense	4,585,140	5,778,111
Depreciation and amortization	2,683,564	4,357,359

24. TAX EXPENSE (INCOME)

Major components of tax expense (income)

For the years ended December 31, 2018 and 2017 consisted of:

	Baht	
	2018	2017
Income tax expense (income) shown in profit or loss :		
Current tax expense:		
Income tax expense for the year	-	-
Deferred tax expense (income):		
Changes in temporary differences relating to the original recognition and reversal	3,182,462	(2,358,423)
Total	<u>3,182,462</u>	<u>(2,358,423)</u>
Income tax relating to components of other comprehensive income :	-	138,134
Total	<u>3,182,462</u>	<u>(2,220,289)</u>

A numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate for the years ended December 31, 2018 and 2017 which are summarized as follows:

	Baht	
	2018	2017
Accounting profit (loss) before income tax	(37,850,241)	(47,645,082)
Add/Less share of loss from investment in joint venture	11,336,310	9,245,465
Net	(26,513,931)	(38,399,617)
The applicable tax rate	20%	20%
Tax expense (income) at the applicable tax rate	<u>(5,302,786)</u>	<u>(7,679,923)</u>
Reconciliation items:		
Tax effect of expenses that are not deductible in determining tax profit:		
- Expenses not allowed as expenses in determining taxable profit	813,107	2,103,363
Tax effect of income or profit that are not required in determining taxable profit:		
- Additional expense deductions allowed	(19,362)	(419,951)
- Current year losses for which no deferred tax asset was recognized	7,691,503	3,638,088
Total reconciliation items	<u>8,485,248</u>	<u>5,321,500</u>
Total tax expense (income)	<u>3,182,462</u>	<u>(2,358,423)</u>

A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2018 and 2017 are summarized as follows:

	2018		2017	
	Tax amount	Tax rate	Tax amount	Tax rate
	(Baht)	(%)	(Baht)	(%)
Accounting profit (loss) before tax expense for the year	(37,850,241)		(47,645,082)	
Tax expense (income) at the applicable tax rate	(5,302,786)	(14.00%)	(7,679,923)	(16.12%)
Reconciliation items	8,485,248	22.42%	5,321,500	11.17%
Tax expense (income) at the average effective tax rate	3,182,462	8.42%	(2,358,423)	(4.95%)

As at December 31, 2018, the Company has the accumulated tax losses that have not been used from 2017 at the amount of Baht 11.72 million and has temporary differences in Baht 1.51 million which the Company does not record such deferred tax assets as there is uncertainty that the Company will have sufficient taxable profits enough to be utilized of deferred tax assets.

25. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculate by dividing profit for the year attributable to equity holders of the parent company of the year by the weighted average number of ordinary shares which are issued during the year and held by outside party.

	2018	2017
Profit (loss) for the year (Baht)	(41,032,703)	(45,286,659)
Weighted average number of ordinary shares (shares)	190,080,063	160,049,149
Issued ordinary at the beginning of the year	190,080,063	126,720,042
Effect of shares issued during the year	-	33,329,107
Weighted average number of ordinary shares (shares)	190,080,063	160,049,149
Profit (loss) for the year (Baht per share)	(0.22)	(0.28)

Diluted earnings (loss) per share

Diluted earnings (loss) per share for the year ended December 31, 2018 and 2017 is calculated by dividing the profit (loss) for the year of ordinary shareholders by the sum of the weighted average number of ordinary shares outstanding during the periods 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 share into ordinary shares when the exercise price is lower than fair value of ordinary shares. However, the fair value of the Company's ordinary shares for the year ended December 31, 2018 and 2017 is lower than the exercise price. The effect is the Company does not include the result of dilutive potential ordinary shares for calculation of diluted earnings (loss) per share.

26. COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2018, the Company, joint venture and subsidiary of joint venture had commitments and contingent liabilities as follows:

The Company

26.1 Letters of guarantee issued by banks of Baht 39.43 million.

26.2 Commitments for payment under the agreements as follows:

26.2.1 Payment under office rental and service agreement as follows:

Rental and service expense	
Period	(Million Baht)
1 year	4.38
2 - 3 years	2.96

26.2.2 Payment under construction contract in the amount of Baht 12.80 million.

26.2.3 Payment under property development project in the amount of Baht 3.21 million.

26.2.4 Payment under purchase inventory in the amount of Baht 2.53 million.

26.2.5 Payment under compensation for sale of property development project as specific rate in the contract.

Subsidiary of joint venture

26.3 Payment under service agreement in the amount of Baht 17.77 million.

27. SEGMENT INFORMATION

Operating segment information is reported in a manner consistent maker 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 operates a construction contractor and development of real estate business. The Company operates in a single geographic area-Thailand for the years ended December 31, 2018 and 2017 were classified as follows:

	Baht							
	Construction		Property development		Investments business		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	December 31,		December 31,		December 31,		December 31,	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenues	87,175,147	51,437,760	15,907,633	90,221,257	-	-	103,082,780	141,659,017
Cost	(75,996,590)	(61,540,464)	(9,310,227)	(52,012,430)	-	-	(85,306,817)	(113,552,894)
Gross profit (loss)	11,178,557	(10,102,704)	6,597,406	38,208,827	-	-	17,775,963	28,106,123
Share of loss from investment								
in joint venture					(11,336,310)	(9,245,465)	(11,336,310)	(9,245,465)

	Baht							
	Construction		Property development		Investments business		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Assets								
Trade and other receivables	39,412,284	6,801,156	-	-	-	-	39,412,284	6,801,156
Work in progress	1,497,441	355,820	-	-	-	-	1,497,441	355,820
Unbill receivables	2,007,065	12,382,439	-	-	-	-	2,007,065	12,382,439
Cost of property development	-	-	173,323,076	182,336,848	-	-	173,323,076	182,336,848
Investment in joint venture	-	-	-	-	28,783,621	24,369,931	28,783,621	24,369,931
Others	-	-	-	-	-	-	71,720,448	81,181,799
Total							<u>316,743,935</u>	<u>307,427,993</u>
Liabilities								
Trade and other payables	23,170,343	18,475,546	-	313,131	-	-	23,170,343	18,788,677
Estimated cost payables	6,295,576	9,510,030	7,591,881	9,124,560	-	-	13,887,457	18,634,590
Retention payables	18,323,848	20,047,437	-	-	-	-	18,323,848	20,047,437
Advance receive from construction	6,167,682	11,195,593	-	-	-	-	6,167,682	11,195,593
Advance receive from sale of property development	-	-	28,361,861	-	-	-	28,361,861	-
Loans from financial institutions	-	-	39,444,994	51,924,994	-	-	39,444,994	51,924,994
Others	-	-	-	-	-	-	62,551,276	40,362,795
Total							<u>191,907,461</u>	<u>140,906,649</u>

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2018 and 2017 are as follows:

	Baht			
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1, 2018	Increase (decrease)*	transaction	December 31, 2018
Bank overdrafts and short-term loans from financial institution	2,864,119	14,173,367	-	17,037,486
Short-term loans from related person	-	29,900,000	-	29,900,000
Long-term loans from financial institution	51,924,994	(12,480,000)	-	39,444,994
Total	<u>54,789,113</u>	<u>31,593,367</u>	<u>-</u>	<u>86,382,480</u>

	Baht			
	Balance as at	Cash flows	Non-cash	Balance as at
	January 1, 2017	Increase (decrease)*	transaction	December 31, 2017
Short-term loans from financial institution	17,262,500	(14,398,381)	-	2,864,119
Short-term loans from other person	30,000,000	(30,000,000)	-	-
Long-term loans from financial institution	80,942,900	(29,017,906)	-	51,924,994
Total	<u>128,205,400</u>	<u>(73,416,287)</u>	<u>-</u>	<u>54,789,113</u>

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

29. 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/fixed deposits interest rate or other benchmark floating rates.

Fair value

Most of the financial assets are cash and cash equivalents, trade and other receivables and restricted bank deposits which are short-term credit. Most of the financial liabilities are bank overdrafts, loans from financial institutions, trade and other payables with its interest rates close to the market rate. The carrying amount of the financial assets and financial liabilities are not significantly different from their fair value.

30. THE NEWLY ISSUED AND REVISED FINANCIAL REPORTING STANDARDS AND EFFECTIVE IN THE FUTURE

The Federation of Accounting Professions (FAP) has issued Notifications to mandate the use of accounting standards, financial reporting standards, and interpretations of accounting and financial reporting standards that are newly issued and revised.

These newly issued and revised financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2019 are as follows:

TAS 1 (revised 2018)	Presentation of Financial Statements
TAS 2 (revised 2018)	Inventories
TAS 7 (revised 2018)	Statement of Cash Flows
TAS 8 (revised 2018)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2018)	Events After the Reporting Period
TAS 12 (revised 2018)	Income Taxes
TAS 16 (revised 2018)	Property, Plant and Equipment
TAS 17 (revised 2018)	Leases
TAS 19 (revised 2018)	Employee Benefits
TAS 20 (revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2018)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2018)	Borrowing Costs
TAS 24 (revised 2018)	Related Party Disclosures
TAS 26 (revised 2018)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2018)	Separate Financial Statements
TAS 28 (revised 2018)	Investments in Associates and Joint Ventures
TAS 29 (revised 2018)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2018)	Earnings Per Share
TAS 34 (revised 2018)	Interim Financial Reporting
TAS 36 (revised 2018)	Impairment of Assets
TAS 37 (revised 2018)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2018)	Intangible assets
TAS 40 (revised 2018)	Investment Property
TAS 41 (revised 2018)	Agriculture
TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 2 (revised 2018)	Share-Based Payment
TFRS 3 (revised 2018)	Business Combinations
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 5 (revised 2018)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2018)	Exploration for and Evaluation of Mineral Resource
TFRS 8 (revised 2018)	Operating Segments

TFRS 10 (revised 2018)	Consolidated Financial Statements
TFRS 11 (revised 2018)	Joint Arrangements
TFRS 12 (revised 2018)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2018)	Fair Value Measurement
TFRS 15	Revenue from Contracts with Customers
TSIC 10 (revised 2018)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (revised 2018)	Operating Leases - Incentives
TSIC 25 (revised 2018)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2018)	Service Concession Arrangements: Disclosure
TSIC 32 (revised 2018)	Intangible Assets - Web Site Costs
TFRIC 1 (revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2018)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2018)	Right to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2018)	Applying the Restatement Approach under TAS 29 (revised 2018) Financial Reporting in Hyperinflationary Economics
TFRIC 10 (revised 2018)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2018)	Service Concession Arrangements
TFRIC 14 (revised 2018)	TAS 19 (revised 2018)-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (revised 2018)	Distributions of Non - cash Assets to Owners
TFRIC 20 (revised 2018)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2018)	Levies

Newly financial reporting standards which are effective for the fiscal year beginning on or after January 1, 2020 are as follows.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The management of the Company believes that these accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standards interpretations which are newly issued and revised will not have any significant impact on the financial statements for the year when they are initially applied.

31. EVENT AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on February 20, 2019 has resolved to propose to AGM 2019 to consider and approve as follows ;

- the investment in residential development business established by the Company and its subsidiaries to purchase lands totalled Baht 1,325 million.
- the registered capital reduction of the Company from Baht 227,760,073 to Baht 221,760,062 by cancelling 6,000,011 ordinary shares with the par value of Baht 1 per share each which were not issued and sold
- the registered capital increase of the Company from Baht 221,760,062 to Baht 673,148,951 by issuing new ordinary shares in 451,388,889 shares with the par value of Baht 1 per share to be allocated to Private Placement and in total not exceeding of Baht 650,000,000.
- the change of the Company's name, an seal include the amendment of the Memorandum of Association, the amendment to the Articles of Association of the Company and objective of the Company.
- the sale of all the shares held by the Company in Focus Wheig Corporation Limited "(joint venture)"

32. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on February 20, 2019.