

**THAI FOCUSED EQUITY FUND LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2010**

## THAI FOCUSED EQUITY FUND LIMITED

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**THAI FOCUSED EQUITY FUND LIMITED**

**ADMINISTRATION**

**Directors**

Douglas E. Barnett  
Lau Chung Wei Wayne  
James Lyle

**Registered Office**

c/o HWR Services Limited  
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Tortola, British Virgin Islands

**Investment Manager**

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c/o Wayne Lau  
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Petit Saconnex  
Geneva 1209  
Switzerland

**Auditors**

BDO  
Beaux Lane House  
Mercer Street Lower  
Dublin 2  
Ireland

**Administrator, Registrar and Company Secretary**

Admiral Administration (Ireland) Limited  
KBC House, 4th Floor  
4 George's Dock  
I.F.S.C.  
Dublin 1  
Ireland

**Custodian**

Citibank  
3 Temasek Avenue  
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**Legal Advisers**

(United States Law)  
Seward & Kissel LLP  
One Battery Park Plaza  
New York  
New York 10004

(British Virgin Islands Law)  
Harney, Westwood & Riegels  
Craigmuir Chambers  
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**INDEPENDENT AUDITORS' REPORT  
TO THE DIRECTORS OF THAI FOCUSED EQUITY FUND LIMITED**  
(incorporated in the British Virgin Islands with limited liability)

We have audited the accompanying financial statements of Thai Focused Equity Fund Limited (the "Fund") which comprise the Statement of financial position as of 31 December, 2010 and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable shares and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Limerick Office:  
Four Michael Street  
Limerick

Katharine Byrne  
Maurice Carr  
Michael Costello  
Kevin Doyle  
John Gilmor Gavin  
Jim Hamilton  
Chartered Accountants

Sinead Heaney  
Diarmuid Hendrick  
Gerard Holliday  
Neil Kelly

Stephen McGivern  
Paul Nestor  
John O'Callaghan  
Louis O'Neill

Peter Carroll (Managing Partner)  
Eddie Doyle  
Stewart Dunne  
Ivor Feerick  
Alan Flynn  
David Giles  
Derry Gray

Denis Herlihy  
Ciarán Medlar  
David McCormick  
Michelle O'Keefe  
Peter O'Neill  
Noel Taylor

*Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of 31 December, 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

28 April 2011

**Date**

BDO

**BDO  
Dublin  
Registered Auditors**

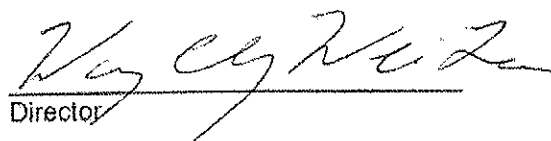
THAI FOCUSED EQUITY FUND LIMITED

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2010

	Note	2010 US\$	2009 US\$
<b>Assets</b>			
Financial assets at fair value through profit or loss	6	130,405,473	98,603,815
Cash at broker	2 (f)	97,118,070	21,166,291
Due from broker		8,322,382	104,119
Other receivable		1,304,670	7,717
<b>Total assets</b>		<b>237,150,595</b>	<b>119,881,942</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	6	13,744	571,555
Due to broker		7,984,408	3,237
Investment management fee payable	4(a)	122,085	82,273
Administration fees payable	4(d)	44,217	16,768
Share redemptions payable		20,962,387	21,421,921
Incentive allocation payable	4(b)	11,066,809	-
Equalisation credits payable		316,269	-
Subscriptions received in advance		1,105,000	-
Other payables		59,177	69,570
<b>Liabilities (excluding net assets attributable to holders of redeemable common shares)</b>		<b>41,674,096</b>	<b>22,165,324</b>
<b>Net assets attributable to holders of redeemable common shares (at bid/asking market prices)</b>	8	<b>195,476,499</b>	<b>97,716,618</b>
Represented by:			
<b>Net assets attributable to holders of redeemable common shares (at last traded market prices)</b>	8	<b>195,840,140</b>	<b>98,141,584</b>
<b>Adjustment from bid/asking market prices to last traded market prices</b>	8	<b>363,641</b>	<b>424,966</b>

Approved for issuance on behalf of the board

  
Director

  
Director

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

THAI FOCUSED EQUITY FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 US\$	2009 US\$
<b>Income</b>			
Dividend income	2(d)	3,741,717	5,256,283
Interest income on cash	2(d)	47,821	50,256
Net change in financial assets and liabilities at fair value through profit or loss	3	114,953,030	27,132,268
		<u>118,742,568</u>	<u>32,438,807</u>
<b>Expenses</b>			
Investment management fee	4(a)	1,053,330	932,714
Administration fee	4(d)	168,582	150,528
Transactions handling fee		143,235	209,808
Auditors' remuneration		36,640	36,558
Legal and professional fee		4,690	4,633
Directors' fees	4(e)	10,000	10,000
Incentive allocation	4(b)	11,251,298	-
Other operating expenses		10,388	73,463
		<u>12,678,163</u>	<u>1,417,704</u>
<b>Profit before tax</b>		<b>106,064,405</b>	<b>31,021,103</b>
Overseas withholding tax	5	(251,889)	(289,314)
<b>Profit after tax</b>		<b>105,812,516</b>	<b>30,731,789</b>
Adjustment from bid/asking market prices to last traded market prices	8	(61,325)	132,024
<b>Increase in net assets attributable to holders of redeemable common shares from operations</b>		<b>105,751,191</b>	<b>30,863,813</b>

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

THAI FOCUSED EQUITY FUND LIMITED

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF  
REDEEMABLE COMMON SHARES

FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 US\$	2009 US\$
Net assets attributable to holders of redeemable common shares at 1 January	98,141,584	128,041,285
Proceeds from subscription for redeemable common shares	19,529,585	10,493,477
Redemption of redeemable common shares	(27,582,220)	(71,256,991)
Net decrease from share transactions	(8,052,635)	(60,763,514)
Increase in net assets attributable to holders of redeemable common shares from operations	105,751,191	30,863,813
Net assets attributable to holders of redeemable common shares at 31 December	195,840,140	98,141,584

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

THAI FOCUSED EQUITY FUND LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 US\$	2009 US\$
<b>Cash flows from operating activities</b>		
<b>Increase in net assets attributable to holders of redeemable common shares from operations</b>	<b>105,751,191</b>	<b>30,863,813</b>
Adjustments for:		
Overseas withholding tax	251,889	289,314
Interest income	(47,821)	(50,256)
Dividend income	(3,741,717)	(5,242,262)
	<u>102,213,542</u>	<u>25,860,609</u>
Change in financial assets and liabilities at fair value	(32,296,144)	16,691,361
Net decrease/(increase) in receivables	-	437,046
Increase in amounts receivable from brokers	(8,218,263)	-
Increase/(decrease) in amounts payable to brokers	7,981,171	(1,836,222)
Increase/decrease in incentive allocation payable	11,066,809	-
Increase/(decrease) in other payables	373,137	(68,554)
Interest received	47,821	50,256
Overseas withholding tax paid	(251,889)	(289,314)
Dividends received	3,741,717	5,138,070
<b>Net cash inflow from operating activities</b>	<b>84,657,901</b>	<b>45,983,252</b>

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

THAI FOCUSED EQUITY FUND LIMITED

CASH FLOW STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 US\$	2009 US\$
<b>Cash flows from financing activities</b>		
Proceeds from redeemable common shares	19,335,632	10,493,477
Redemption of redeemable common shares	(28,041,754)	(49,835,070)
<b>Net cash outflow from financing activities</b>	<u>(8,706,122)</u>	<u>(39,341,593)</u>
Increase in cash and cash equivalents	75,951,779	6,641,659
Cash and cash equivalents at 1st January	21,166,291	14,524,632
<b>Cash and cash equivalents 31 December</b>	<u>97,118,070</u>	<u>21,166,291</u>

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

## THAI FOCUSED EQUITY FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### 1 General

Thai Focused Equity Fund Limited (the "Fund") was incorporated in the British Virgin Islands on 5 September 1997 and commenced operations on 21 October 1997. The objective of the Fund is to seek superior long term capital appreciation through investment primarily in corporate equity securities of companies whose principal assets or operations are located in Thailand, or whose income is derived primarily from Thailand. Additionally, the Fund may invest in long or short positions in privately negotiated (or restricted) common stocks of publicly traded companies, preferred stocks, stock warrants and rights, sovereign debts, corporate debts, bonds, notes or other debentures or debt participations, convertible securities swaps and other derivative instruments, partnership interests and other securities including those of investment companies. The Fund may sell securities short and employ leverage when deemed appropriate. The investment manager of the Fund is Quest Management Cayman Islands, Inc. (the "Investment Manager"). Douglas E. Barnett (the "Principal"), the principal of the Investment Manager and a Director of the Fund, is responsible for making the investment decisions on behalf of the Investment Manager. The Fund has no employees.

All references to net assets throughout these financial statements refer to net assets attributable to holders of redeemable common shares.

#### 2 Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below:

##### (a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies.

#### ***Standards and amendments to existing standards effective 1 January 2010***

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2010, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Fund with the exception of IFRS 9 Financial Instruments.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

2. Principal accounting policies (Continued)

*Standards and amendments to existing standards effective 1 January 2009  
(Continued)*

(i) IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after January 1, 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduced a partial exemption of disclosure requirements for government related entities. The Fund does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or the entire standard.

ii) IAS 32 Financial Instruments: Presentation – Classification of Rights Issues

The amendment to IAS 32 is effective for annual periods beginning on or after February 1, 2010 and amended the definition of a financial liability in order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity instruments for a fixed amount in any currency. This amendment will have no impact on the Fund after initial application.

(iii) IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

IFRIC 19 is effective for annual periods beginning on or after July 1, 2010. The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. If their fair value cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. Any gain or loss is recognized immediately in profit or loss. The adoption of this interpretation will have no effect on the financial statements of the Fund.

(iv) IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets. The standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. IFRS 9 is required to be applied retrospectively. If the standard is adopted prior to January 1, 2012, an entity will be exempt from the requirement to restate prior period comparative information. IFRS 9 represents the completion of the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortized cost or fair value, replacing the four category classification in IAS 39. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The standard is not expected to have a significant impact on the financial statements since the Fund's financial assets are designated at fair value through profit or loss.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

2 Principal accounting policies (Continued)

(b) Financial assets and financial liabilities at fair value through profit or loss

*(i) Classification*

The Fund classifies its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. Derivatives are also categorised as financial assets or financial liabilities held for trading. The Fund does not classify any derivatives as hedges in a hedging relationship.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information. These financial assets are expected to be realised within 12 months of the balance sheet date.

*(ii) Recognition/derecognition*

Regular-way purchases and sales of investments are recognised on the trade date - the date on which the Fund commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

*(iii) Measurement*

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the income statement. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the income statement in the period in which they arise. Interest income from financial assets at fair value through profit or loss is recognised in the income statement within interest income using the effective interest method. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement within dividend income when the Fund's right to receive payments is established.

*(iv) Fair value estimation*

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Fund holds derivatives with offsetting market risks, it applies the bid or asking price to the net open position, as appropriate.

**THAI FOCUSED EQUITY FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)**

**2 Principal accounting policies (Continued)**

**(c) Foreign currency translation**

**(i) Functional and presentation currency**

Subscriptions and redemptions of the redeemable common shares are denominated in US\$ and the performance of the Fund is measured and reported to the investors in US\$. The Board of Directors considers US\$ as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in US\$, which is the Fund's functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary financial assets and liabilities are recognised in the income statement within the fair value net gain or loss. The prevailing exchange rate from Thailand Baht to United States Dollars was 33.37 as at December 31, 2009 and 30.03 as at December 31, 2010. The prevailing exchange rate from Singapore Dollar to United States Dollars was 1.41 as at December 31, 2009 and 1.28 as at December 31, 2010.

**(d) Income recognition**

Dividends receivable on quoted equity shares are recognised on the ex-dividend dates. Dividends receivable on equity shares where no-dividend date is quoted are brought into account when the Fund's right to receive payment is established.

Interest income is recognised in the income statement on a time proportion basis using the effective interest method and includes interest from fixed interest securities.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2009 (CONTINUED)

2 Principal accounting policies (Continued)

(f) Cash and cash equivalents

Cash comprises of bank balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value. As at December 31, 2010 and December 31, 2009 the cash balances of the Fund were as follows:

	2010 US\$	2009 US\$
Citibank	90,680,569	17,395,860
KGI Securities	-	773,460
Tisco Securities Company Limited	27,319	43,070
Kasikorn Securities	2,877,215	1,520,997
JP Morgan Chase Bank	2,775,785	1,432,904
IVG Securities	757,182	-
<b>Total</b>	<b><u>97,118,070</u></b>	<b><u>21,166,291</u></b>

(g) Redeemable common shares

Redeemable common shares are redeemable at the shareholder's option and are classified as financial liabilities. The common share can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The common share is carried at the redemption amount that would be payable at the balance sheet date if the shareholder exercised its right to put the share back to the Fund.

The net asset value per redeemable common share of the Fund is calculated on a monthly basis, by dividing the net assets included in the balance sheet by the number of shares in issue as at that date.

Prices for issues of redeemable common shares are based on the net asset value as of the close of business on the immediate preceding business day in Thailand.

Prices for redemption of redeemable common shares are based on the net asset value as of the last business day in Thailand after deduction of the basic management fees and incentive fees attributable to the shares redeemed.

Proceeds and payments for redeemable common shares issued and redeemed are shown as movements in the statement of changes in net assets attributable to holders of redeemable common shares.

(h) Expenses

Expenses are accounted for on an accruals basis. Expenses arising on disposal of investments are deducted from the disposal proceeds. Dividends on securities sold short are accrued on the ex-date and paid to the brokers on the payable date.

**THAI FOCUSED EQUITY FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)**

**2. Principal accounting policies (Continued)**

**(i) Forward foreign exchange contracts**

Forward foreign exchange contracts are recognized at fair value on the date the contracts are entered into and subsequently are re-measured at their fair value representing the difference between the forward rate of exchange as applicable to outstanding terms of the contracts and the spot exchange rate as at the valuation date. Such contracts are carried in assets when net amounts are receivable by the Fund and in liabilities when net amounts are payable by the Fund. Changes in fair values of forward foreign exchange contracts are included in the income statement.

**(j) Derivative financial instruments**

Derivative financial instruments, that may include foreign exchange contracts, contracts for difference, stock market index, interest rate futures, forward rate agreements, currency and interest rate swaps and equity options are initially recognized in the balance sheet at fair value and subsequently remeasured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate. All derivatives are carried in assets when amounts are receivable by the Fund and in liabilities when amounts are payable by the Fund.

**3 Net change in financial assets and liabilities at fair value through profit or loss**

	2010 US\$	2009 US\$
Net realized gains/(losses) on investments	83,407,159	(63,993,090)
Net change in unrealized gains on investments	31,951,059	89,907,496
Net change in unrealized gains / (losses) on cash, cash equivalents, and forward foreign exchange contracts	92,890	(371,233)
Net realized (loss)/gain on foreign exchange	(559,403)	1,140,632
Net realized gain on forward exchange contracts	-	580,487
Adjustment from bid/asking market prices to last traded market prices	61,325	(132,024)
	<u>114,953,030</u>	<u>27,132,268</u>

**THAI FOCUSED EQUITY FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)**

**4 Fees**

**(a) Investment management fee**

The Investment Manager is entitled to receive an investment management fee as follows:

Investor shares (Class A)	1.0% per annum
Manager shares (Class B)	0.0% per annum
Investor shares (Class C)	1.0% per annum
Investor shares (Class D)	1.0% per annum

Prior to September 2010, the Investment Manager was entitled to receive an investment management fee as follows:

Investor shares (Class A)	1.0% per annum
Manager shares (Class B)	0.0% per annum
Investor shares (Class C)	1.5% per annum
Investor shares (Class D)	1.0% per annum

The investment management fee is calculated by reference to the net asset value and accrued as of the end of each month and is payable on a monthly basis.

The Investment Manager may, in its sole discretion, waive or rebate the investment management fee paid by certain shareholders affiliated with the Investment Manager or certain large shareholders. For the purpose of administering the waiver/rebate, the Administrator maintains a memo sub-division of each class of shares and classifies them as "Fee paying" shares and "Non-fee paying" shares. Refer to note 7.

Based on the above the Investment Manager was entitled to a management fee of US\$1,053,330 (2009: US\$932,714) for the year of which US\$122,085 (2009: US\$82,273) remained payable at year end.

**(b) Incentive allocation**

Pursuant to the Fund's Confidential Explanatory Memorandum, the Investment Manager will be entitled to receive an incentive allocation from the Fund calculated on a share-by-share basis so that each share is charged an incentive allocation which equates precisely with that share's performance.

The Investment Manager is allocated an incentive allocation for each financial year equal to 20% of the net income (including net realized and unrealized gains), if any, during such financial year allocable to each redeemable common share. If a redeemable common share has a loss chargeable to it during any financial year and during a subsequent year there is a profit allocable to the redeemable common share, there will be no incentive allocation with respect to the redeemable common share until the amount of the loss previously allocated to the redeemable common share has been recouped.

**THAI FOCUSED EQUITY FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)**

**(b) Incentive allocation (Continued)**

When new shareholders subscribe at a net asset value higher than the net asset value at which the incentive allocation was last calculated (the "high water mark"), shares equivalent to the incentive allocation which is included in the subscription price as at the entry date (equalization factor) are returned to the relevant shareholders in the form of new shares as of the year end date. This is done so that (i) the incentive allocation is charged only to those shares which have appreciated in value since their acquisition, (ii) all shareholders will have the same amount per share at risk and (iii) all shares will have the same net asset value.

When new shareholders subscribe at a net asset value lower than both the high water mark and the net asset value as at the year-end date following investment, such shareholders would be subject to an additional incentive allocation calculated by reference to the net asset value at which they subscribed and the lower of the high water mark and the net asset value as at the year-end following investment which is effected through the redemption of shares with respect to the relevant shareholders.

When shareholders redeem during the year, such shareholders, according to the Fund's Confidential Explanatory Memorandum, Section 5 - Investment Management Agreement, are liable to the payment of incentive allocation based on the net asset value achieved on the relevant redemption date. Accordingly the Investment Manager was entitled to incentive allocation of US\$11,251,298 (2009: Nil) for the year of which US\$11,066,809 (2009: Nil) remained payable at the year end.

When shareholders purchase shares during the fiscal year at an offer price lower than year end net asset value per share but below the high water mark, defined at the beginning of the fiscal year as the net asset value per share as at the preceding fiscal year end date, an incentive allocation is payable by those particular shareholders to the Investment Manager. Such shareholders will have part of their shareholding redeemed to cover the incentive allocation payable to the investment manager as at the end of the fiscal year. During the current year shares to the value of US\$90,623 (2009: US\$460,349) were required to be transferred from these particular shareholders to the Investment Manager to cover the incentive allocation payable.

The Investment Manager may, in its sole discretion, in effect waive or reduce the incentive allocation for certain shareholders affiliated with the Investment Manager or certain large shareholders. For the purpose of administering the waiver/rebate, the Administrator maintains a memo sub-division of each class of shares and classifies them as "Fee paying" shares and "Non-fee paying" shares. Refer to note 7.

**(c) Custodian**

Citibank have acted as Custodian to the Fund since October 2009.

**(d) Administration fee**

Admiral Administration (Ireland) Limited performs general administrative services for the fund. The fee for these services is payable monthly in arrears and accrued on a monthly basis as calculated based on a rate no greater than 12 basis points of the Fund's net asset value subject to a minimum charge.

## THAI FOCUSED EQUITY FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

#### (d) Administration fee (Continued)

Based on the above the Administrator was entitled to an administration fee of US\$168,582 (2009: US\$150,528) for the year of which US\$44,217 (2009: US\$16,768) remained payable at year end.

#### (e) Directors' fees

The Directors, other than Directors related to the Investment Manager or its affiliates, are entitled to receive a fee with respect to services in their capacity as Directors. Directors' fees for the year ended 31 December 2010 amounted to US\$10,000 (2009: US\$10,000).

## 5 Taxation

The Fund is domiciled in the British Virgin Islands which is an off-shore jurisdiction and the Fund is exempt from paying income or capital gains taxes of that jurisdiction.

The Fund has elected to be treated as a partnership for United States federal income tax purposes.

Foreign entities such as the Fund are generally subject to a 15% withholding tax in Thailand on capital gains. However, the Directors consider that under current Thai tax law and tax treaties, the Fund may structure its investments (either through the use of subsidiaries in jurisdictions covered by tax treaties with Thailand, structured products or otherwise) to eliminate or minimize the withholding tax on capital gains. Accordingly, the Directors consider that they have structured the Fund's investments such that it will not be subject to the 15% withholding tax on capital gains. Nevertheless, it should be recognized that Thai tax laws or applicable tax treaties may change and, even in the absence of such change, the Thai tax authorities may disagree with the conclusion that the withholding tax on capital gains is not applicable to investments structured in the manner implemented by the Fund. Therefore, there is a risk that the Fund will be subject to Thai withholding tax at the rate of 15% on capital gains. The Directors consider that they are satisfied, based on advice received, that the fund is not liable to Thai withholding tax and therefore no provision for taxation has been made.

Foreign entities such as the Fund are also generally subject to a 10% withholding tax on dividends with respect to investments in companies whose equity securities are publicly traded on the Stock Exchange of Thailand. Dividend income earned by the Fund from equity securities that are publicly traded on the Stock Exchange of Thailand are generally subject to withholding tax.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

6 Financial assets and liabilities

	2010 US\$	2009 US\$
Financial assets at fair value through profit or loss		
<u>Equities</u>		
Listed securities (long)	125,887,381	99,030,885
Total Equities (long)	<u>125,887,381</u>	<u>99,030,885</u>
Warrants	1,157,221	-
Options	3,712,919	-
Total Derivatives	<u>4,870,140</u>	-
Adjustment from bid/asking market prices to last traded market price	(352,048)	(427,070)
Total financial assets at fair value through profit or Loss	<u><u>130,405,473</u></u>	<u><u>98,603,815</u></u>
Financial liabilities at fair value through profit or loss		
<u>Equities</u>		
Listed securities (short)	(2,151)	(573,659)
Total Equities (short)	<u>(2,151)</u>	<u>(573,659)</u>
Adjustment from bid/asking market prices to last traded market prices	(11,593)	(2,104)
Total financial liabilities at fair value through profit or Loss	<u><u>(13,744)</u></u>	<u><u>(571,555)</u></u>

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

7 Redeemable common shares

Authorised shares of the Fund consist of four classes of redeemable common shares - 5,000,000 investor shares (Class A), 50,000 manager shares (Class B), 5,000,000 investor shares (Class C) and 5,000,000 investor shares (Class D) of US\$0.01 each for all classes. The investor shares are subscribed to by investors. The manager shares, are subscribed to solely by the Investment Manager or its affiliates, and are entitled to the incentive allocation as described in note 4(b) to the financial statements.

All issued redeemable common shares are fully paid, entitle them to dividends and voting powers and are identical except for the differences in investment management basic fee charged and redemption notice periods as follows:

	Investment management basic fee	Redemption notice period
Investor share Class A	1%	1 month
Manager share Class B *	0%	1 month
Investor share Class C	1%	3 month
Investor share Class D	2%	6 month

\* Entitles holders to incentive allocation. Please also refer to note 4 (b).

Class A Non fee paying, Class C Non fee paying, and Class D Non fee paying classes are not liable to pay management fees or incentive allocations.

Redeemable common shares in issue are as follows:

	Class A – Fee paying No. of Shares	Class A - Non fee paying No. of Shares	Class B – Non fee paying No. of Shares
Balance at 31 December 2010	125,085.7113	34,751.2312	24,694.6771
	NAV per share	NAV per share	NAV per share
	<u>983.00</u>	<u>1,196.59</u>	<u>1,196.59</u>
	Class C – Fee paying No. of Shares	Class C - Non fee paying No. of Shares	
	2,135.7538	118.3779	
	NAV per share	NAV per share	
	<u>983.00</u>	<u>1,196.59</u>	

**THAI FOCUSED EQUITY FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)**

**7 Redeemable common shares (continued)**

	Class A – Fee paying No. of Shares	Class A - Non fee paying No. of Shares	Class B – Non fee paying No. of Shares
Balance at 31 December 2009	155,276.5024	13,031.5640	22,758.8023
	NAV per share	NAV per share	NAV per share
	<u>503.14</u>	<u>559.25</u>	<u>559.25</u>

**8 Net assets attributable to holders of redeemable common shares**

In accordance with the provisions of the Fund's Confidential Explanatory Memorandum dated September 2010, securities that are listed on an exchange and are freely transferable are stated at the last traded price on the valuation day for the purpose of determining net asset value per redeemable common share for subscriptions and redemptions and for various fee calculations. However, as stated in note 2, the accounting policy of the Fund for the purpose of compliance with IAS 39 and for reporting purposes is to value its investments at the relevant bid market prices for financial assets and relevant asking price for financial liabilities on the Balance Sheet date. As at 31st December 2010, the difference between the accounting policy as stated in note 2 and the valuation methodology indicated in the Fund's Confidential Explanatory Memorandum, results in an adjustment of US\$363,641 being made to the value of investments held by the Fund (2009: US\$424,966).

Net assets attributable to holders of redeemable common shares represent a liability in the balance sheet, carried at the redemption amount that would be payable at the balance sheet date if the shareholder exercised the right to redeem the share to the Fund. Consequently, the difference described above fully adjusts the carrying amount of the net assets attributable to holders of redeemable common shares and the resultant change for the year is included in the Income Statement. The cumulative differences are included as "Adjustment from bid/asking market prices to last traded market prices" on the Balance Sheet.

**9 Related party and affiliated transactions**

In addition to the related party transactions which were carried out in the normal course of the Fund's business, disclosed in note 4 to the financial statements, the Investment Manager has informed the Fund that at 31 December 2010, the partners of the Investment Manager, Quest Management Cayman Islands, Inc. hold a total investment in the Fund of 48,008 shares (2009: 35,790), equivalent to approximately US\$57,446,373 (2009: US\$20,015,762).

## THAI FOCUSED EQUITY FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

#### 10 Financial instruments and associated risks

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance.

The Fund's objective is to achieve capital growth through investing in equity securities issued by companies included in the Stock Exchange of Thailand index and by hedging through investing in SET 50 futures, over-the-counter swaps, over-the-counter forwards, and over-the-counter options.

##### (a) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The Fund's investments are primarily equities and are predominantly located in Thailand. The Fund is therefore exposed to market risk associated with the economy of Thailand. In the normal course of business, the Fund trades option contracts, financial futures, forward contracts and other derivative financial instruments all of which are carried at market or fair value. Generally, these financial instruments represent future commitments to purchase, sell or exchange other financial instruments on specific terms at specified future dates. The extent of the Fund's involvement in these instruments is determined by the composition of the investment portfolio and the Investment Manager's expectations as to the direction and volatility of interest and foreign exchange rates, as well as other economic factors. These transactions involve a market risk that may be in excess of that amount recognized in the accompanying balance sheet due to future changes in the market values of the securities, commodities or currencies underlying the financial instruments. Details of the Fund's derivative financial instruments are disclosed in the Schedule of Investments.

The Fund trades in financial securities, taking positions in traded and derivative financial instruments with an aim to take advantage of price movements.

All securities investments present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments. Except for equities sold short, forward currency contracts, futures and written options, maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses arising from equities sold short, forward currency contracts, futures and written options can be unlimited. The Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

10 (a) Market price risk (Continued)

The Fund's equity securities and trading derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures. Between 50% and 95% of the net assets attributable to common shares are invested in equity securities and related derivatives. Between 75% and 100% of this amount is in individual equities and the balance is in traded or over-the-counter options and futures. The equity securities are selected from all listed Thai stocks. The Fund aims to reduce certain risk exposures using Index swaps.

The table below summarizes the Fund's net market price risk exposure, including the impact of underlying positions held through derivative instruments held by the Fund.

	Fair value	At 31 December 2010 % of net assets valued at bid/asking market price	Fair value	At 31 December 2009 % of net assets valued at bid/asking market price
Securities (long) designated at fair value through profit or loss	125,548,490	64.45%	98,603,815	100.91%
Derivative assets held for trading	4,856,983	2.49%	-	
Securities (short) designated at fair value through profit or loss	<u>(13,744)</u>	<u>(0.01)%</u>	<u>571,555</u>	<u>(0.58)%</u>
Total financial assets and liabilities at fair value through profit or loss	<u>130,391,729</u>		<u>98,032,260</u>	

Amended IFRS 7 requires various inputs to be used when determining the value of investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under amended IFRS 7 are described below:

Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 - Quoted prices for instruments that are identical or similar in markets that are not active and model-derived valuations for which all significant inputs are observable, either directly or indirectly in active markets;

Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

10 (a) Market price risk (Continued)

The hierarchy requires the use of observable market data when available. As required by the amended IFRS 7 assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following is a summary of the levels within the fair value hierarchy for the Fund's assets and liabilities as of December 31, 2010 and December 31, 2009:

<u>At 31 December 2010</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Assets</b>				
Financial assets at fair value through profit or loss	130,405,473	-	-	130,405,473
<b>Total</b>	<b>130,405,473</b>	<b>-</b>	<b>-</b>	<b>130,405,473</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	(13,744)	-	-	(13,744)
<b>Total</b>	<b>(13,744)</b>	<b>-</b>	<b>-</b>	<b>(13,744)</b>
<u>At 31 December 2009</u>	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>Assets</b>				
Financial assets at fair value through profit or loss	98,603,815	-	-	98,603,815
<b>Total</b>	<b>98,603,815</b>	<b>-</b>	<b>-</b>	<b>98,603,815</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss	(571,555)	-	-	(571,555)
<b>Total</b>	<b>(571,555)</b>	<b>-</b>	<b>-</b>	<b>(571,555)</b>

**THAI FOCUSED EQUITY FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)**

**10 (a) Market price risk (Continued)**

At 31 December 2010, the Fund's market risk is affected by three main components: changes in actual market prices, interest rate and foreign currency movements. Interest rate and foreign currency movements are covered in Notes 10 (b) and 10 (e) respectively. The net long exposure of the Fund consisted of Thai listed stock with an aggregate value of US\$98,457,226. The long exposure was hedged via short SET50 futures. If the SET index at 31 December 2010 had increased by 5% with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately 5.8% (US\$5.71m). Conversely, if the SET index had decreased by 5%, this would have decreased net assets attributable to holders of redeemable shares by approximately 3.9% (US\$3.84m).

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

10 (b) Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates in US Treasury bills with maturities of less than 1 month, so there is no significant interest rate risk.

The Fund's interest-bearing financial assets (it has no interest-bearing liabilities) expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below summarizes the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorized by the earlier of contractual re-pricing or maturity dates.

At 31 December 2010	Up to 1 year US\$	1-5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>					
Financial assets at fair value through profit or loss	-	-	-	130,405,473	130,405,473
Due from broker	-	-	-	8,322,382	8,322,382
Other receivables and prepayments	-	-	-	1,304,670	1,304,670
Cash at bank	97,118,070	-	-	-	97,118,070
<b>Total assets</b>	<b>97,118,070</b>	<b>-</b>	<b>-</b>	<b>140,032,525</b>	<b>237,150,595</b>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	-	-	-	13,744	13,744
Due to brokers	-	-	-	7,984,408	7,984,408
Accrued expenses and other payables	-	-	-	33,675,944	33,675,944
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,674,096</b>	<b>41,674,096</b>
<b>At 31 December 2009</b>					
<b>Assets</b>					
Financial assets at fair value through profit or loss	-	-	-	98,603,815	98,603,815
Due from broker	-	-	-	104,119	104,119
Other receivables and prepayments	-	-	-	7,717	7,717
Cash at bank	21,166,291	-	-	-	21,166,291
<b>Total assets</b>	<b>21,166,291</b>	<b>-</b>	<b>-</b>	<b>98,715,651</b>	<b>119,881,942</b>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	-	-	-	571,555	571,555
Due to brokers	-	-	-	3,237	3,237
Accrued expenses	-	-	-	21,590,532	21,590,532
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,165,324</b>	<b>22,165,324</b>

**THAI FOCUSED EQUITY FUND LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)**

**10 Financial instruments (Continued)**

**(b) Interest rate risk (Continued)**

At 31 December 2010 the Fund has minimum exposure to interest rate movement.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's overall interest sensitivity on a daily basis.

**(c) Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All securities transactions entered into by the Fund during the year were cleared through and held in custody by Citibank. Citibank is highly rated by the prominent rating agencies. The Fund is subject to credit risk to the extent that these institutions may be unable to fulfil their obligations either to return the Fund's securities or repay amounts owed.

In addition to Citibank, the Fund's other major counterparties at 31 December 2010 were as follows:

	<b>2010</b>	<b>2009</b>
	<b>US\$</b>	<b>US\$</b>
JP Morgan Chase Bank	2,775,785	1,432,904
IVG Securities	757,182	-
Morgan Stanley	3,712,919	-
KGI Securities	-	773,460
Tisco Securities Company Limited	27,319	43,070
Kasikorn Securities	<u>2,877,215</u>	<u>1,520,997</u>

For these financial instruments, the maximum credit risk amount at 31 December 2010 is represented by the amount at which they are included in the Balance Sheet.

The Fund has no master netting agreement. The securities held by Citibank are all long equities, and the short position is held at a local Thai broker that requires cash collateral. The financial status of this broker is continuously monitored and the Fund has dealings with them on a daily basis.

In accordance with the Fund's policy, the Investment Manager monitors the credit worthiness of Citibank.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

10 Financial instruments (Continued)

(c) Credit risk (Continued)

At the reporting date, the Fund's financial assets exposed to credit risk amounted to the following:

	2010 US\$	2009 US\$
Financial assets at fair value through profit or loss	130,405,473	98,603,815
Cash and cash equivalents	97,118,070	21,166,291
Other receivables	<u>9,672,052</u>	<u>111,836</u>
<b>Total</b>	<u><b>237,150,595</b></u>	<u><b>119,881,942</b></u>

The extent of the Fund's exposure to credit risks in respect of these financial assets approximates the carrying values of the assets as outlined above.

Substantially, all assets of the Class are held at year end by Citibank thereby exposing the Fund to concentration of credit risk towards these counterparties. Bankruptcy or insolvency of this counterparty may cause the Fund's rights with respect to assets and securities held by the counterparty to be delayed or limited.

However, the Directors are of the view that there is no material risk in relation to this as significant cash balances are not held for prolonged periods. Management also monitors the risk exposure by monitoring the credit quality and financial position of significant counterparties on a monthly basis.

The credit rating of Citibank at the year end was as follows:

	2010 rating	2009 rating
Citibank	S&P A	S&P A

(d) Liquidity risk

Liquidity risk also referred to as funding risk, is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Fund's listed securities are considered readily realizable, as they are listed on the Thailand stock exchange. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. Accordingly, the Fund's ability to respond to market movements may be impaired and the Fund may experience adverse price movements upon liquidation of its investments.

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

10 Financial instruments (Continued)

(d) Liquidity risk (Continued)

The Fund does invest in derivative contracts traded over the counter, which are not traded in an organized market and may be illiquid. As a result, the Fund may not be able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

In order to match the liquidity of investors in the Fund to the liquidity of the Fund's underlying portfolio, redemptions of shares in the Fund are controlled via the class of shares held. Redemptions by shareholders will be permitted as of the last business day in Dublin of each month upon written notice received by the Fund before 5:00 p.m. Dublin time on the last day of the applicable month. Class A or Class B shareholders must request such redemptions pursuant to notice which must be received no later than the last day of the month preceding the month in which the redemption occurs. Class C shareholders must request such redemptions pursuant to notice which must be received at least three months prior to the redemption date. Class D shareholders must request such redemptions pursuant to notice which must be received at least six months prior to the redemption date.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity position on a daily basis.

The table below analyzes the Fund's liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Less than 1 month US\$	1-3 months US\$	3-6 months US\$
At December 31, 2010			
Amounts due to brokers	7,984,408	-	-
Financial liabilities at fair value through profit or loss	13,744	-	-
Management fee payable	122,085	-	-
Share redemptions payable	20,962,387	-	-
Incentive fee payable	11,066,809	-	-
Accrued expenses	1,524,663	-	-
Net assets attributable to holders of redeemable common shares	-	195,840,140	-
Total liabilities	41,674,096	195,840,140	-

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

10 Financial instruments (Continued)

(d) Liquidity risk (Continued)

	Less than 1 month US\$	1-3 months US\$	3-6 months US\$
At December 31, 2009			
Amount due to brokers	3,237	-	-
Financial liabilities at fair value through profit or loss	571,555	-	-
Management fee payable	82,273	-	-
Share redemptions payable	21,421,921		
Accrued expenses	86,338	-	-
Net assets attributable to holders of redeemable common shares	-	98,141,584	-
Total liabilities	22,165,324	98,141,584	-

(e) Currency risk

The Fund holds assets denominated in currencies other than the US\$, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Fund's policy is generally to enter into currency hedging so as to be exposed only to company-specific risk.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's currency position on a weekly basis.

Concentration of assets and liabilities at 31 December 2010

	Monetary	Non-monetary	Total
THB	3,777,486	126,678,810	130,456,295
SGD	310,803	-	310,803
Total	4,088,289	126,678,810	130,767,098

THAI FOCUSED EQUITY FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2010 (CONTINUED)

10 Financial instruments (Continued)

(c) Currency risk (Continued)

Concentration of assets and liabilities at 31 December 2009

	<u>Monetary</u>	<u>Non-monetary</u>	<u>Total</u>
THB	2,374,404	85,020,619	87,395,023
SGD	(3,237)	13,011,641	13,008,404
Total	<u>2,371,167</u>	<u>98,032,260</u>	<u>100,403,427</u>

As at the date of the Statement of Financial Position, if US\$ strengthened or weakened by 5% against the above currencies, the net assets attributable to holders of redeemable shares would have increased or decreased by approximately US\$6,538,355 (2009: US\$5,020,171).

11 Subsequent events

From the period January 1, 2011 to April 18, 2011 the Fund had subscriptions of US\$19,144,505 and redemptions of US\$449,960.

12 Approval of financial statements

The financial statements were approved by the Directors and authorised for issue on 28 April, 2011.

**THAI FOCUSED EQUITY FUND LIMITED**

**SCHEDULE OF INVESTMENTS (Unaudited)**  
AS AT 31 DECEMBER 2010

	Holding	Value US\$	%of net assets
<b>Auto Parts&amp;Equipment</b>			
Somboon Advance Technology PCL	655,100	638,084	0.33%
Thai Steel Cable PCL	3,365,800	1,322,559	0.68%
		<u>1,960,643</u>	<u>1.00%</u>
<b>Banks</b>			
Siam Commercial Bank PCL	12,900	44,461	0.02%
Bangkok Bank PCL	192,600	942,797	0.48%
Kasikornbank PCL	2,885,800	12,060,203	6.16%
		<u>13,047,461</u>	<u>6.66%</u>
<b>Chemicals</b>			
Indorama Ventures PCL	14,224,000	27,353,846	13.97%
PTT Chemical PCL	80,000	391,608	0.2%
PTT Chemical PCL	92,800	454,266	0.23%
Siangas & Petrochemicals PCL	8,264,000	5,393,753	2.75%
		<u>33,593,473</u>	<u>17.15%</u>
<b>Coal</b>			
Banpu PCL	77,000	2,030,769	1.04%
Banpu PCL	465,400	12,274,286	6.27%
		<u>14,305,055</u>	<u>7.31%</u>
<b>Computers</b>			
Advanced Information Technology PCL	376,300	560,753	0.29%
Advanced Information Technology PCL	316,900	472,237	0.24%
		<u>1,032,990</u>	<u>0.53%</u>

**THAI FOCUSED EQUITY FUND LIMITED**

**SCHEDULE OF INVESTMENTS (Unaudited, continued)**  
AS AT 31 DECEMBER 2010

	Holding	Value US\$	%of net assets
<b>Diversified Financial Services</b>			
Bualuang Securities PCL	110,000	62,637	0.03%
Tisco Financial Group PCL	1,583,700	2,149,043	1.10%
		<u>2,211,680</u>	<u>1.13%</u>
<b>Electronics</b>			
Stars Microelectronics Thailand PCL	21,932,300	13,292,303	6.79%
Delta Electronics Thai PCL	444,800	518,415	0.26%
Delta Electronics Thai PCL	4,206,000	4,902,098	2.50%
		<u>18,712,816</u>	<u>9.56%</u>
<b>Food</b>			
Thai Union Frozen Products PCL	504,630	882,220	0.45%
		<u>882,220</u>	<u>0.45%</u>
<b>Metal Fabricate/Hardware</b>			
SNC Former PCL	6,464,000	4,003,676	2.04%
SNC Former PCL	11,694,200	7,243,161	3.70%
		<u>11,246,837</u>	<u>5.74%</u>
<b>Mining</b>			
Padaeng Industry PCL	544,900	406,452	0.21%
		<u>406,452</u>	<u>0.21%</u>
<b>Oil&amp;Gas</b>			
PTT PCL	95,100	1,013,387	0.52%
PTT Exploration & Production PCL	259,200	1,450,070	0.74%
PTT Aromatics & Refining PCL	554,400	706,154	0.36%
Thai Oil PCL	4,945,000	12,885,323	6.58%
		<u>16,054,934</u>	<u>8.20%</u>

**THAI FOCUSED EQUITY FUND LIMITED**

**SCHEDULE OF INVESTMENTS (Unaudited, continued)**  
AS AT 31 DECEMBER 2010

	Holding	Value US\$	%of net assets
<b>Real Estate</b>			
Pruksa Real Estate PCL	779,900	480,458	0.25%
Pruksa Real Estate PCL	2,962,300	1,824,927	0.93%
Sansiri PCL	54,797,500	10,127,411	5.17%
		<u>12,432,796</u>	<u>6.35%</u>
<b>Telecommunications</b>			
True Corp PCL	100	24	0.00%
		<u>24</u>	<u>0.00%</u>
<b>Total Equities</b>			
		<u>125,887,381</u>	<u>64.28%</u>
<b>Warrants</b>			
Indorama Ventures PCL - Warrant	1,580,444	1,144,677	0.58%
Minor Internaitonal - Warrant	127,258	12,544	0.01%
		<u>1,157,221</u>	<u>0.59%</u>
<b>Total Warrants</b>			
		<u>1,157,221</u>	<u>0.59%</u>
<b>Put Options</b>			
	<b>Notional</b>		
AUD Call/USD Put Option Strike 0.9860 Exp 11/13/01	100,000,000	3,688,697	1.88%
AUD Put/USD Call Option Strike 0.8980 Exp 07/02/2011	100,000,000	24,222	0.01%
		<u>3,712,919</u>	<u>1.90%</u>
<b>Total Put Options</b>			
		<u>3,712,919</u>	<u>1.90%</u>
<b>Total financial assets at last traded market price</b>			
		<u>130,757,521</u>	<u>66.77%</u>

**THAI FOCUSED EQUITY FUND LIMITED**

**SCHEDULE OF INVESTMENTS (Unaudited, continued)**  
**AS AT 31 DECEMBER 2010**

	Holding	Value US\$	%of net assets
<b>Equities (short)</b>			
SET 50 Future - March 2011	435	(2,151)	0.00%
		<u>(2,151)</u>	<u>0.00%</u>
<b>Total equities (short)</b>		<u>(2,151)</u>	<u>0.00%</u>
<b>Total financial liabilities at last traded market price</b>		<u>(2,151)</u>	<u>0.00%</u>
<b>Total investments, net</b>		<b>130,755,370</b>	<b>66.77%</b>
<b>Other net assets attributable to holders of redeemable shares</b>		<b>65,084,770</b>	<b>33.23%</b>
<b>Total net assets attributable to holders of redeemable common shares</b>		<u><b>195,840,140</b></u>	<u><b>100%</b></u>