APEX
DEVELOPMENT
"Enhancing Value"

APEX DEVELOPMENT PUBLIC COMPANY LIMITED

Annual Report 2018

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"Investors can find out more information about the issuer from the company's annual disclosure form (Form 56-1) is shown in www.sec.or.th"

Message from Chairman

The Year 2018 is a year of our business expansion and development in accordance to the 5-year business plan (2017 – 2021) of the company. Apex Development Public Company Limited is committed to contribute to the growth of the Thailand Tourism Industry to be everlasting in tourism areas of various provinces that have good development potential. Moreover, to search for new tourism destination for investment and development and make it become popular among both Thai and Foreign tourists.

In the year 2018, Apex has launched a new Hotel and Residences project "Club Med Krabi Resort and Residences" on Yao Beach, Krabi province with the vision to develop Yao Beach to become the new famous and popular tourism destination for Krabi. The project received a very positive response from buying customers that made sales-reservation of the Villas of over 50% of the project total sales volume. Furthermore, activities and events were organized to promote Krabi Yao Beach awareness on a global level with the launch of the Apex World Record Sailing Tournament 2019 in the Yao Beach area in the beginning of 2019, and will be televised on Fox Sports channel to over 33 million households in Asia.

The Mixed-use projects comprising of Hotel and Residences in accordance to Apex development plan is gaining popularity world-wide. This is because the buyer of the residences benefits from the stable rental return under the professional management of reputable international hotel chain, as well as benefit from the good value appreciation of the property.

Every Hotel and Residences project of the company emphasize on the outstanding splendor and unique characteristic creatively inspired to meet the demands of customers in this era.

Apex will begin to recognize revenue from the sale of the company's asset and the condominium ownership transfer of The Residences at Sheraton Phuket Grand Bay which the construction will be completed and ready for the ownership transfer from 2019 onwards.

Lastly, I would like to thank all our buying customers that have always believed in our development projects; our shareholders who have invested and supported the company's operation; our Board of Directors, management team, and employees that have worked hard together to always achieve and deliver worthy results.

(Pongphan Sampawakoop)
Chairman of the Board of Directors

History and Important Development

APEX Development Public Company Limited was formerly Suntec Group Public Company Limited which was established on 31 August 1988 being an operator of planting and producing processed products from tomatoes and corns for local and export market. SUNTEC was registered as listed company Stock Exchange of Thailand (SET) on 20 November 1990. In 1993, SUNTEC expanded into trading processed scrap steel operated by its subsidiary named Suntec Scrap Processing Company Limited. That company produced processed scrap steel for selling to hot-rolled steel plate manufacturers. The company was located in Cholburi Industry Estate (Bo Win), Sriracha, Cholburi. (In 2005, Suntec Metals Company Limited, another subsidiary of SUNTEC jointly with a foreign company, bought that company's assets to further operates). SUNTEC was transformed to public company limited on 20 November 1993.

ปี 2000-2007 : On 28 August 2000, the Bankruptcy Court had approval on SUNTEC's rehabilitation where Srisongkram Planner was its Planner. On 3 May 2001, 13 August 2005 and 21 November 2005: the Bankruptcy Court approved on SUNTEC's rehabilitation plan and two amendments consecutively. The Plan Administrator has implemented rehabilitation plan successfully and then the Bankruptcy Court approved for SUNTEC's rehabilitation discharge on 30 April 2007. (On 16 May 2008, the Supreme Court had order to strike the SUNTEC case out of the case-list after a creditor appealed the Bankruptcy Court's order)

ปี 2007-2016 : In August 2007 the new investor group led by Mr.Pongphan Sampawakoop acquired the increased shares of paid-up capital to obtain 78%of the total shares. The company's name was also changed to Apex Development Public Company Limited, with "APEX" being its new symbol in the Stock Exchange of Thailand (SET). The new business objective is to engage actively in real estate development. Hence forth Apex started to develop the new seaside resort project named "White Sand Beach", Pattaya on approximately 30 rai of land area with a project value of 3,500 Million Baht . It consists of : 1. MÖvenpick Hotel (North Tower),34 floors Hotel Condominium, 264 units with facilities. 2. MÖvenpick Residences (South Tower), 37 floors Residential Condominium,196 units with facilities. 3. MÖvenpick Pool Villas, 34 Villas with land.

The objective plans of the company are to develop and sell that all project to investors and individual buyers in order to realize earning and profit as envisaged according to the project plan in order to apply for the resumption of trading of the company's shares in The Stock Exchange of Thailand.

The Stock Exchange of Thailand (SET) and The Securities and Exchange Commission, Thailand (SEC) have considered and approved Apex to resume trading in the Stock Exchange of Thailand for the Property and Construction group, in the Property Development Sector starting from the 27th of March, 2017 on wards, after strictly adhering to the rules and

regulations until the criteria form removal from delisting was achieved coupled with the continuous profitable in its operation years, The company is determined to conduct the business which yields good operational result under the policy of corporate risk management and corporate governance in a fitting manner.

ปี 2017 : The Resolutions of the 2017 Annual General Meeting of the Company's Shareholders which be held on 25 April 2017 or equivalent in any other currency. The principal amount of the debentures redeemed or purchased by the Company shall be counted towards the remaining principal amount of debentures that can be issued by the Company (Revolving Principal Basis). To consider and approve the issuance and offering of debentures not exceed 2 Billion Baht. By on 31 August 2017, the Company issued 800,000 units of secured debenture at Baht 1,000 per unit, totaling Baht 800 million. Such debenture's life is 2.5 year and bears the interest at the rate of 6.25% per annum. The maturity date is on 28 February 2018. Which that the issuance and offering of debentures by no base on reliability of rating.

On 22 August 2017, Apex had Approved and agree to changed the name of the securities to match the name of the securities from "APX" for "APEX" in accordance with the regulations of the Stock Exchange Thailand, although to revised the name of the securities that, no revised the name of the company. The company still uses the same name is Apex Development Public Company Limited .

On 11 August 2017, Apex had resolved to approve the reduction of the Company's registered capital in the amount of 1,499,925,000 Baht, from the existing registered capital of 2,999,850,000 Baht to the new registered capital of 1,499,925,000 Baht, by decreasing the par value from 1 Baht per share to 0.50 Baht per share, by maintaining the same number of shares. The whole surplus amount from capital reduction would be utilized to compensate for the deficit of the shareholders equity and the accumulated deficit of the Company.

Apex had resolved to approve the increase of registered capital of the Company in the amount of 749,962,500 Baht to the new registered capital of 2,249,887,500 Baht by issuing 1,499,925,000 new ordinary shares, for the expansion of the Company's projects and to serve as the Company's working capital . by detail as about :-

1. Increased ordinary shares in the amount of 999,950,000 shares to be offered to the existing shareholders in accordance with their shareholding ratio (RO), at the price of 0.50 baht per share, in the ratio of 3 existing shares to 1 new ordinary share (any fraction of shares will be disregarded).

2. Increased ordinary shares in the amount of 499,975,000 shares to be offered in accordance with the exercise of the warrants to purchase the ordinary share of the Company (APEX-W1) in the amount of 499,975,000 units which were issued to the existing shareholders who exercise their right to subscribe for newly issued ordinary shares at the ratio of 2 existing shares to 1 unit of warrant (any fraction will be disregarded)

3. In case there are any unsubscribed increased ordinary share after the allotment to the existing shareholders in accordance with their shareholding percentage and the Oversub-

scription in item no. 1, the Company is authorized to allot such unsubscribed increased ordinary shares to a non-related person, as prescribe in the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transaction and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of the Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003.

ปี 2018 : At the Board of Directors meeting no.7/2018 held on 5 April 2018, it passed a resolution to revise the offering price of newly issued ordinary shares to existing shareholders (RO) from Baht 0.50 per share to Baht 0.20 per share and exercise price of the warrants to purchase ordinary share of Apex Development Public Company Limited No.1 (APEX-W1) which the Resolutions of the 1/2017 Extraordinary General Meeting of Shareholders which be held on 11st August 2017 to consider and approve the increase capital of the company totaling 999,950,000 shares was to be offered to the existing shareholders in accordance with their shareholding ratio (RO) at the ratio of 3 existing shares to 1 new share, include the adjustment to the exercise price and the exercise ratio of the warrant to purchase ordinary share of Apex Development Public Company Limited No.1 (APEX-W1) from Baht 0.50 per share to Baht 0.40 per share ,which the existing shareholders right to purchase ordinary share of the company to the issuance and offering price completely and the company shall file the application to increase share capital with the Ministry of Commerce on 18 May 2018.

The existing shareholders who subscribed for the increased shares at the ratio of 2 new shares to 1 unit of warrant. By the warrant to purchase ordinary share of Apex Development Public Company Limited No.1 (APEX-W1) will have exercise period of 3 year counted from issue date (1 July 2018 to 30 June 2021) the exercise ratio1 unit of warrants shall be entitled to purchase 1 ordinary share ,exercise price 0.40 Baht per share. The date to exercise warrant will be on the last business day of June and December of every year. Term of exercise No.1 on 28 December 2018, No.2 on 28 June 2019, No3. on 27 December 2019, No.4 on 30 June 2020, No.5 on 30 December 2020, the last exercise date No6. on 30 June 2021.

Increase (decrease) of the Company's registered capital in the past 3 years

Date	Increase (decrease)	Registered Capital after changed	Registered and Paid-up Capital	Remarks
5 Feb 2015 19 Feb 2015 27 Nov 2015 3 Feb 2016	713.41	2,857.00	2,143.59 2,321.94 2,500.29 2,857.00	Private Placement
28 Apr 2016 10 Jun 2016	1,499.92	1,499.92	2,857.00 2,999.85	Right Offering
3 Nov 2017 6 Nov 2017	749.96 (Increase)	2,249.88	1,499.92	Decrease Capital Register bydecreasing the par value Right Offering and, the remaining shares were to be allocated by offering through private placement (PP) Private Placement
18 May 2018		2,249.88	1,999.90	Registered and Paid-up Capital

Shareholders Structure of Apex Development PCL. Group

Company	Registered Capital (Baht)	Company Proportion of Shareholder (%)
1. Apex Asset Co.,Ltd.	1,000,000 บาท	100
2. Grand Bay Hotel Co.,Ltd.	500,000,000 บาท	100
3. Andaman Hotel Co., Ltd.	5,000,000 บาท	100
4. Long Beach Hotel Co., Ltd.	5,000,000 บาท	100

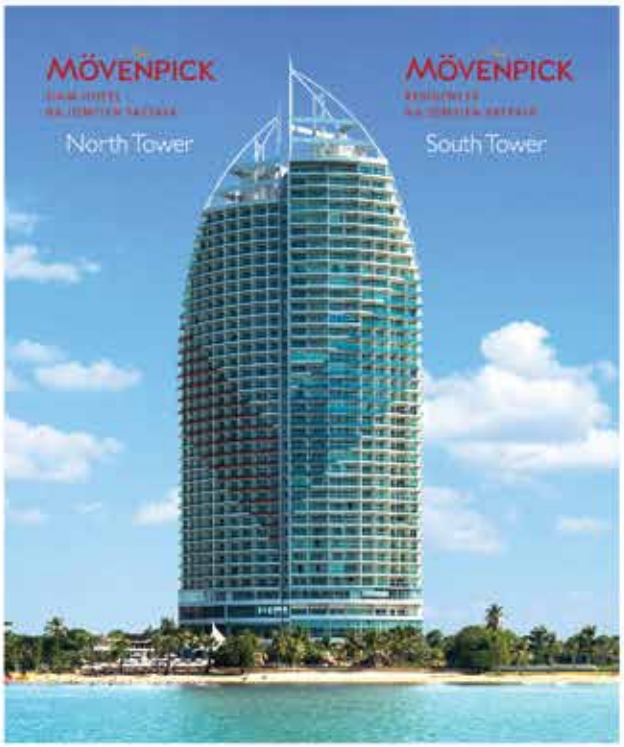
Investment in subsidiary/associated/related companies

APEX invests in 6 subsidiary companies:-

- Apex Asset Company Limited; property development business with registered capital of 1,000,000 baht; APEX holds 100% of registered capital.
- Grand Bay Hotel Company Limited; property development business with registered capital of 500,000,000 baht; APEX holds 100% of registered capital.
- Andaman Hotel Co., Ltd. property development business with registered capital of 5,000,000 baht; APEX holds 100% of registered capital.
- Long Beach Hotel Co., Ltd. property development business with registered capital of 5,000,000 baht; APEX holds 100% of registered capital.

Project Development Planning in 2017-2021

MÖVENPICK
RESIDENCES & POOL VILLAS
NA JOMTIEN PATTAYA



Mövenpick Residences & Pool Villas

Brand	:	MÖVENPICK
Location	:	Na Jomtien, Pattaya
Area	:	29.5 Rais
Hotel	:	264 Keys
Residences	:	196 Units
Pool Villa	:	34 Villas

Completion and Opening Date : Mid 2016

MÖVENPICK

RESIDENCES & POOL VILLAS
NA JOMTIEN PATTAYA

Sheraton
PHUKET GRAND BAY
THE RESIDENCES

Sheraton Phuket Grand Bay Resort and Residences

Brand	:	Sheraton
Location	:	Po Bay, Phuket
Area	:	66 Rais
Resort	:	181 Keys
Residences	:	107 Units
Construction Period	:	Q2/2018-Q4/2020
Project Value - Resort	:	Est. 2,317 Million Baht
Project Value - Residences	:	Est. 2,118 Million Baht

Sheraton

PHUKET GRAND BAY
THE RESIDENCES

Krabi
Club Med
amazing you
The Residences

Club Meb Krabi
Resort and Residences

Brand	:	Club Med
Location	:	Yao Beach, Krabi
Area	:	101 Rais
Resort	:	300 Keys
Residences	:	58 Units
Construction Period	:	Q1/2019-Q3/2021
Project Value - Resort	:	Est. 2,693 Million Baht
Project Value - Residences	:	Est. 1,177 Million Baht

Sheraton
KRABI YAO BEACH
THE RESIDENCES

Sheraton Krabi
Resort and Residences

Brand	:	Sheraton
Location	:	Yao Beach, Krabi
Area	:	82 Rais (131,200 sqm)
Resort	:	212 Keys
Residences	:	100 Units
Construction Period	:	Q1/2019-Q4/2021
Project Value - Resort	:	Est. 2,070 Million Baht
Project Value - Residences	:	Est. 1,496 Million Baht

Vision Mission Objective–Goal

Vision

• Live by the vision to “create added value” or “Enhancing Value”, to all our property developments that we have developed and sold. In the short-term and long-term, to create the maximum value enhancement to our property as well as return and benefits to all our buying customers.

• Contribute to the economic growth and society, including to support and improve the environment of the area surrounding each of our development projects.

Mission

• To innovate and develop creative property development projects that is outstanding and exceptional which uniquely differentiates it from other property projects. To achieve and deliver satisfaction for both end-user and investor-buyers of the property through our corporate philosophy of “Enhancing Value”.

• Endeavor to achieve and deliver success and stability to the company’s operation.

Revenue Structure

APEX's revenue structure of 2016 –2018:-

งบกำไรขาดทุนเบ็ดเสร็จ	2018		2017		2016	
	MB	%	MB	%	MB	%
Revenue from sales of land and real estate	176.57	83.34	312.51	91.47	754.90	92.66
Revenue from decoration service	5.93	2.80	16.80	4.92	43.63	5.36
Revenue from rental service	23.62	11.15	7.65	2.24	0.09	0.01
Revenue sales and services	**206.12**	**97.28**	**336.96**	**98.63**	**798.62**	**98.03**
Revenue of Interest	3.17	1.50	1.50	0.44	0.91	0.11
Revenue Other	2.58	1.22	3.20	0.94	15.13	1.86
RevenueTotal	**211.87**	**100.00**	**341.66**	**100.00**	**814.66**	**100.00**

Note: * Residences/Villas which were transferred ownerships to purchasers and the purchasers signed lease management agreements with APEX to let their residences or villas in Rental Pool Program. For the 15-year program, the revenue from sales recognition will be booked when the agreements expire.

APEX's main business is real estate development for sale such as residential condominium, villas and hotels. The Company recognizes the revenue from sales of real estate as revenue when the seller has transferred the material risk and benefit in such real estate to purchasers and the seller receives the whole payment according to the sell-purchase agreements.

Revenue recognition

Revenue comprises the fair value for the consideration received or receivable for the sale and services in the ordinary course of the Group's activities net of output tax, rebates and discounts, and after eliminating sales and service with the Group for the consolidated financial statements.

Revenue from sales of land and real estate is recognised when significant risks and rewards of ownership of the property are transferred to the buyer. The Group does not recognise revenue when sale of the property is made with long-term guarantee of rental income or with buy-back condition until such condition ceases. Installments received under the contract but not yet recognised as revenues are recorded as "Deposits and advances received from customers" or "Unearned revenue".

Revenue from decoration services is recognised based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. Percentage of completion is measured by comparing the relationship costs incurred for work performed to date with the total estimated costs for the contract. When it is probable that total costs will exceed total revenue, the expected loss is recognises as expense

immediately. Service costs incurred during the year in connection with future activity are excluded in cost of services and shown as work in progress, under real estate costs in the statement of financial position. The aggregate of the costs incurred and the profit (loss) recognised on each contract is compared against the billings up to the year end. Where the total costs incurred and recognised profit (less recognised losses) exceed total billings, the balance is shown as asset, under "Accrued income". Where total billings exceed total costs incurred plus recognised profits (less recognised losses), the balance is shown as liability, under "Advances received from customers".

Target Customer Group

The MÖvenpick Residences is the condominium with unobstructed panoramic view and five-star design. The selling prices are in a range of 110,000-150,000 baht per square meter. The Residence's customers can enter into a Rental Pool Program which is managed by a professional hotel management company. At present, there are 60 units joining such program.

The MÖvenpick Pool Villas is the five-star villas with total 34 units. Each villa comprises of two sections: living area and bedroom area with a private 1.5 m deep, 4.5 x 9 m swimming pool. Each villa is constructed on 130 square wah plot of land, prices are in a range of 20-23 million baht. At present, there are 13 villas joining a Rental Pool Program.

Since the selling prices of both residences and pool villas are in the high end segment, therefore, target customer group is the medium to high income level customers who want to have a condominium or villa for spending their vacation in Pattaya. Another target customer group is executive level, both Thai and foreigners who work for any company in the area of Cholburi, Sattahib or Laem Chabang; or maybe foreigners who want to settle down in Thailand after their retirement. Others than the mentioned customer group, the investors who have interest in real estate property may prefer the rental pool program of APEX for their long-term return in investment.

The Residences at Sheraton Phuket Grand Bay is a five-star low-rise condominium project (pool villa style) located just 25 minutes from Phuket International Airport. Phuket is one of the most popular places for both Thai and foreign tourists. The target customer group for this project is high-income customers who want second home for their vacation in Phuket or customers who want to invest in real estate and generate long-term return from such investment or recognize a capital gain from selling in the future. For the hotel section of this project, the target customer groups are middle to high-level income tourists.

The Residences at Club Med Krabi is part of a mixed-use development comprising of a hotel and condominium (residences) for sale. The Residences is the first residences managed by Club Med in Asia who is a leading all-inclusive resort operator with 70 locations in 26 countries. The Residences at Club Med Krabi is located at Yao Beach, Krabi, featuring a very long beach front of approximately 300 meters with spectacular ocean view. The project comprises of Freehold Pool Villas of total 58 units. The project was pre-launched end of year 2018 with successful response of over 60% bookings. Most buyers are Thai investors who have confidence in investing in this high potential project with a long term return on investment.

Distributing Channels

APEX has its own sale offices with show units located in the area of MÖvenpick White Sand Beach Pattaya Project with sales staff on site who will take care of all customers. APEX's marketing activities included advertising on billboards in Pattaya area and road shows at popular shopping malls both in Bangkok and in Pattaya such as Central Festival Pattaya Beach. Furthermore, APEX also advertise the project on its website: www.whitesandbeachpattaya.com which will show all project details both Residences and Pool Villas including an interesting Rental Pool Program.

For The Residences at Sheraton Phuket Grand Bay project, APEX has already built a Sales Gallery and show units on site for interested customers to visit. The marketing activities for this project included project launch at popular shopping mall such as Siam Paragon Shopping Mall and has planned to bring over the project to launch in Singapore or Hong Kong for overseas investors. During the development period, APEX also keeps updating the project's progress to customers on its website.

APEX has a marketing plan to promote all projects both offline and online which is more popular and cost

effective in a current market trend. Offline media will include billboards, cutouts, signboards in various area which will attract our potential customers such as at the airport and along the road approaching our projects, printed media such as newspaper and on board magazine, road shows at popular department stores such as Siam Paragon as well as road shows overseas such as at Singapore and Hong Kong. For online media, we will promote our projects on our company website, popular property websites and all social media such as "Facebook", "Instragram", "Youtube", advertise through "Blogger" and popular search engine "Google".

Industry Market and Competition

Pattaya's condominium market condition is still not promising, the number of new condominium is less than the former year with too much supply in the market. The economics condition has been slowdown which affect consumers' confidence both Thai and foreigners. In the past few years, there is another negative factor for real estate market in Pattaya which is the radically decrease in Russian Ruble value affecting purchasing power of Russian tourists who are a main purchasing group in Pattaya real estate market. In 2017-2018, some main operators have tried to attract the purchasers by offer guaranteed return on buying real estate property at 5-7% per annum. Within 1-3 years from now, there may be some projects which offer higher return to purchasers/investors. However, Pattaya still has its potential for operators to continually expand their investment in residential projects not only housing but also high-end condominium.

Furthermore, APEX's business is being a representative for supply and management the sold condominium/villas to be available for lease in hotel system under Rental Pool Program. From this program, APEX will receive management fee as revenue. The rental proceeds will be allocated as revenue shared to the MÖvenpick Hotel & Spa and net revenue shared to the purchasers or owners. So when the tourism industry is in a uptrend, there will be tourists both Thai and foreign travelling as family groups. Such tourists will prefer rooms which have more utilized area, so they will seek for condominiums for rent more than the normal hotel rooms. Consequently, the Rental Pool Program of APEX will be served for this kind of preference. Currently, Thai's tourism industry has been grown continuously and Pattaya is one of the most popular destinations for tourists. Therefore, tourism industry of Pattaya still can be expanded.

Phuket is a popular tourism destination of Thailand. It ranks no. 11 from Top 100 City Destinations 2018 by Euromonitor International. In the past 2-3 years, number of tourists travelling to Phuket have been increasing especially tourists from China and Russia. Phuket has its own international airport which tourists can fly there directly, do not have to transit at Suwannabhumi International Airport. For real estate development industry in the past 3-4 years in Phuket, there are no any new projects launched that make the current demand for residential property both middle and high-end in Phuket is in uptrend. The customers who have a demand on the middle and high-end residential property are Thai investors and Asian investors especially from Hong Kong, Singapore and China. Such investors mostly work in this area for a long time, familiar with Phuket environment. Additionally, Australian, French and Canadian tourists prefer to have their own second home or residential for their vacation or for living after retirement. The supporting factors for boosting tourism industry of Phuket are the expansion of Phuket International Airport which will be able to serve much more tourists and other infrastructure developing projects in Phuket, for examples: Tunnel to Pa Tong beach project, other tunnels and flyovers to ease traffic in Phuket. Those infrastructure developing projects not just support tourism industry and hotel business but also support the increase of real estate development expansion in Phuket. The high-end real estate projects in Phuket are mostly located near sea or on the sea front and managed by leading hotel chains having high standard in construction and premium design and decoration similar to The Residences at Sheraton Phuket Grand Bay project of APEX.

Krabi is one of popular tourist attractions of Thailand. It is in Top 100 City Destinations 2018 by Euromonitor International. It has a growth of 9.2% from year 2017 and its revenue has surpassed Chiangmai' s last year. Krabi is still very reserved with natural beauty; white and long beaches, beautiful water falls, many attractions for adventure activities such as mountain climbing, sailing, rafting, etc. Krabi also has it own airport which direct flights to many provinces

which is very convenient for both Thais and Foreigners. Therefore, Krabi is very attractive for APEX to develop resort and residence projects.

Environmental impact

- None-

Risk Factors and Risk Management

Risk Factors which may affect the Company's operation:-

1) Risk from being in the high-competitive business

Real estate development for sale business, especially residential property, is the high-competitive business. There are many projects launched by many players or competitors in the industry. Consequently, there are many supplies in the market but in the same time the customers' demand has been decreased. Each operator uses different marketing techniques; some inject more selling and advertising budgets. Nonetheless, APEX's target customer group is high-income customers which a small group. Therefore, for making its projects be attractive for such customer group, APEX's projects have well-designed and uniqueness. APEX's projects also have rental pool program offered to interested purchasers to persuade them for invest either short-term or long-term investments. In addition, APEX may consider modifying its projects and room-size to be more fit to customers' and market' needs to gain more revenue and market share.

2) Risk from delay of project developing period

According to accounting standard, the revenue of sale is recognized as revenue when the transferred ownership has been done. Therefore, if there is an event of delay developing period of a project, the revenue recognition will be postponed also. However, APEX has policy to collect down payment of 30-50% of selling price), most customers don't drop their purchases but wait for transferring of ownership when such project is completed. So, APEX will gain certain revenue from sale. During APEX keeps receiving down payments from its customer, APEX has cash paid in advance which can be used as its working capital helping its smooth business operating. Nonetheless, APEX has more efficiently control on developing period of current projects to meet its plan for delivery and transferring to purchasers.

3) Risk from discontinuous projects

Currently, APEX has a construction completed project which is MÖvenpick White Sand Beach Pattaya. The sold units of this project have been transferred to purchasers since 2015. APEX also has 2 during developing projects which are Sheraton Phuket Grand Bay Project and the renovation of Sigma Resort Pattaya Project. In the case of delay from plans of any projects, it may affect to APEX's continuity of revenue from sale. However, APEX also has renovation project of Sigma Resort Pattaya in its pipeline. At the same time, APEX will be able to generate management fee from being the Operator of Rental Pool Program as a type of income, which will make APEX can maintain its revenue continuity in the future.

4) Risk from laws relating to real estate developing business

Since there have been new issuances and revisions of Thai real estate and property related laws all the time. Therefore, new and revised versions of such laws and regulations will impact on adjournment of APEX's projects. APEX always follow any new and revision of relating laws and regulations to prepare readiness for business operation adaptation relevant to such

new and revisions. For the transferring fee, in case of reducing rate, it will be benefited to the Company and customers. But in the other way, it may cause more expenses for the Company and customers and may affect customers' decision on purchasing. However, the transferring fee is still remaining in the same level as current for many years with decreased rates for sometimes as per government's economic stimulus policy.

5) Risk from interest rate increases

The increase of policy interest rate by The Monetary Policy Committee affects loan interest rates of financial institutions which impact directly to real estate development business. From the past, APEX has been using bank loan facilities for main funding its real estate developing projects for existing projects and future projects. Therefore, the increase of interest rate will impact on higher financial of each project. However, after APEX be in normal business sector and resuming trade in SET, APEX will have more funds raising methods such as issuance of new shares or debt instruments which make lower financing costs.

6) Risk from Bank of Thailand's rules and regulations relating to property sector

Bank of Thailand (BOT) has followed the loan lending by commercial banks emphasizing on lending qualities. That makes commercial banks strictly issue loans to any businesses. They increase their loans filter efficiency and decrease amount of facilities to collateral pledged. Therefore, customers who apply for housing loan from banks may have to prepare their own cash from more down payment amount. This may make such customers reconsider their buying decision. APEX may be able to screen its customer's quality by strict loan of banks at the same time. However, APEX's customers mostly are middle-income and high-income groups who have no such problems of lending loans from banks.

7) Risk from fluctuation of construction cost and construction material cost

Construction cost is the main cost of APEX's business. Therefore, if cost of construction material is fluctuated or increased, especially steel bars and cement, cost of operating of APEX will be higher with generating lower operating profit. Furthermore, APEX has contracts with construction material suppliers in advance to fix their pricing and APEX has planned to control its construction period to be operated as planned.

Risk Management Policy

The Company has policy to manage risk throughout the organization systematically without appointment the risk management committee specifically, but empower the Executive Board to make a policy, system and assessment with respect to various risks, including which is incurred from external factor, administration and internal operation. The Executive Board has the authority to designate the guidelines in administration and management on order to control the risks within acceptable level and to make the employees aware of how important the risk management is. The risk management procedure of the Company is as follows:

Policy and Principles of Risk Management

This is to indicate the policy, purpose, scope, responsibility, principle and guideline on risk management in conformity with the strategy, goal, plan and business direction which the Company regularly reviews every year. Simultaneously, the Company is to make business plan in conformity therewith, too.

Risk Identified

This is to identify the risks possibly affecting the achievement of purposes and goals by considering from all risk incurred from internal and external factors such as environment, law, finance, information technology, information system for decision making, investor's satisfaction, investment management, human resource, reputation and image, security system etc. The Company manages the risks by ranking them at first and then concerning the control system. For the risk at high or very high level, the Company will make an analysis and manage it, consequently.

Risk Analysis

This is to analyze and assess the residual risk after assessing the existing risk control system and prioritizing their importance. If the residual risk remains in high or very high level, there will be a measurement

for managing such risk immediately by the senior executive in charge of it. If the residual risk remains in medium or low level, there will a measurement to be carried out by departmental unit or revising the working process, accordingly.

Risk Management

This is to make a plan for managing the important risk as prioritized at risk analysis. The risk management may be undertaken in various means such as controlling, transferring, avoiding, utilizing or accepting of the risk, as the case may be.

Company Profile

Company Name	Apex Development Public Company Limited
Symbol	APEX
Registration Number	0107536001117
Nature of Business	Property Development
Head Office Address	10/53-56, 2nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, Klongtoey Nue Sub-district, Wattana district, Bangkok 10110
Telephone	02-168-7200
Facsimile	02-168-7191
Web Site	www.apexpcl.com
Securities in Focus	As of December 31st, 2017
Name of Securities	APEX
Registered Capital	2,249,887,500 Baht par value 0.50 Baht per share (Change Registered capital as of November 6th 2017)
Paid-up Capital	1,499,925,000 Baht
Accounting Year Period	1 January to 31 December, annually
Company share registrar	Securities Depository Center (Thailand) Co., Ltd.
Company's Auditor	PricewaterhouseCoopers ABAS Ltd.

Subsidiary

1. Apex Asset Co., Ltd.

Registration Number	0105551024040
Address	10/55, 2nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, Klongtoey Nue Sub-district, Wattana district, Bangkok 10110
Telephone	02-168-7200
Facsimile	02-168-7190-91
Nature of Business	Property Development
Web Site	www.apexpcl.com
Registered Capital	10,000 shares, par value 100 Baht per share
Paid-up Capital	1,000,000 Baht

2. Grand Bay Hotel Co., Ltd.

Registration Number	0105558048211
Address	10/53, 2nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, Klongtoey Nue Sub-district, Wattana district, Bangkok 10110
Telephone	02-168-7200
Facsimile	02-168-7190-91
Nature of Business	Property Development , Hotel
Web Site	www.apexpcl.com
Registered Capital	5,000,000 shares, par value 100 Baht per share
Paid-up Capital	465,800,000 Baht

3. Andaman Hotel Co., Ltd.

Registration Number	0105561174281
Address	10/53, 2nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, Klongtoey Nue Sub-district, Wattana district, Bangkok 10110
Telephone	02-168-7200
Facsimile	02-168-7190-91
Nature of Business	Property Development , Hotel
Web Site	www.apexpcl.com
Registered Capital	50,000 shares, par value 100 Baht per share
Paid-up Capital	1,250,000 Baht

4. Long Beach Hotel Co., Ltd.

Registration Number	0105561174265
Address	10/53, 2nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, Klongtoey Nue Sub-district, Wattana district, Bangkok 10110
Telephone	02-168-7200
Facsimile	02-168-7190-91
Nature of Business	Property Development , Hotel
Web Site	www.apexpcl.com
Registered Capital	50,000 shares, par value 100 Baht per share
Paid-up Capital	1,250,000 Baht

Securities of Company

Company Information and Shareholder Structure

1. Securities of the Company as at December 31, 2018 are as follows:

1.1) Registered capital of 2,249,887,500 Baht (Two thousand two hundred and forty-nine million, eight hundred and eighty-seven thousand five hundred baht) consisting of 4,499,775,000 ordinary shares (Four thousand four hundred ninety nine million seven hundred seventy five thousand shares)with par value of 0.50 Baht (fifty stang) per share.

1.2) Issued and paid-up capital of 1,999,900,000 Baht (One thousand nine hundred ninety nine million nine hundred thousand baht) consisting of 3,999,800,000 shares (Three thousand nine hundred ninety nine million eight hundred thousand shares) ordinary shares with par value of 0.50 Baht (fifty stang) per share.

1.3) Location of the company that issued securities; No. 10/53-56, 2nd Floor The Trendy Building, Sukhumvit 13 (Sangchan) Alley, Klongtoey Nua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91.

2. Securities in subsidiary;

2.1) The Company has invested in ordinary shares of Apex Assets Co., Ltd at the amount of 10,000 ordinary shares (Ten thousand shares) with par value of 100 Baht (One hundred baht) total value of 1,000,000 Baht (One million Baht) and details are as follows:

2.1.1.) Registered capital of 1,000,000 Baht (One million Baht) consisting of 10,000 ordinary shares (Ten thousand ordinary shares) with par value of 100 Baht (One hundred baht) per share.

2.1.2) Issued and paid-up capital of 1,000,000 Baht (One million Baht) consisting of 10,000 ordinary shares (Ten thousand ordinary shares) with par value of 100 Baht (One hundred baht) per share.

2.1.3) Location of the company that issued securities; No. No. 10/55, 2nd Floor The Trendy Building, Sukhumvit 13 (Sangchan) Alley, Klongtoey Nua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91.

2.1.4) Management in the associated company; the Company has sent representative of the Company to be director or executive of associated company.

2.2 Securities in associated company : the Company has invested in ordinary shares of Grand Bay Hotel Co., Ltd. at the amount of 5,000,000 ordinary shares (Five million shares) with par value of 100 Baht (One hundred baht) total value of 500,000,000 Baht (Five hundred million baht) and details are as follows:

2.2.1) Registered capital of 500,000,000 Baht (Five hundred million Baht) consisting of 5,000,000 ordinary shares (Five million shares) with par value of 100 Baht (One hundred baht) per share.

2.2.2) Issued and paid-up capital of 465,800,000 Baht (Four hundred sixty five million eight hundred thousand baht) consisting of 4,658,000 ordinary shares (Four million six hundred fifty eight thousand ordinary shares) with par value of 100 Baht (One hundred baht) per share.

2.2.3) Location of the company that issued securities; No. No. 10/53, 2nd Floor The Trendy Building, Sukhumvit 13 (Sangchan) Alley, Klongtoey Nua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91.

2.2.4) Management in the associated company; the Company has sent representative of the Company to be director or executive of associated company.

2.3 Securities in associated company : the Company has invested in ordinary shares of Andaman Hotel Co., Ltd. at the amount of 50,000 ordinary shares (Fifty Thousand shares) with par value of 100 Baht (One hundred baht) total value of 5,000,000 Baht (Five million baht) and details are as follows:

2.3.1) Registered capital of 5,000,000 Baht (Five million baht) consisting of 50,000 ordinary shares (Fifty Thousand shares) with par value of 100 Baht (One hundred baht) per share.

2.3.2) Issued and paid-up capital of 1,250,000 Baht (One million two hundred fifty thousand baht) consisting of 12,500 ordinary shares (Twelve thousand five hundred ordinary shares) with par value of 100 Baht (One hundred baht) per share.

2.3.3) Location of the company that issued securities; No. No. 10/53, 2nd Floor The Trendy Building, Sukhumvit 13 (Sangchan) Alley, Klongtoey Nua Sub-district, Wattana

District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91.

2.3.4) Management in the associated company; the Company has sent representative of the Company to be director or executive of associated company.

2.4 Securities in associated company : the Company has invested in ordinary shares of Long Beach Hotel Co., Ltd. at the amount of 50,000 ordinary shares (Fifty Thousand shares) with par value of 100 Baht (One hundred baht) total value of 5,000,000 Baht (Five million baht) and details are as follows:

2.4.1) Registered capital of 5,000,000 Baht (Five million baht) consisting of 50,000 ordinary shares (Fifty Thousand shares) with par value of 100 Baht (One hundred baht) per share.

2.4.2) Issued and paid-up capital of 1,250,000 Baht (One million two hundred fifty thousand baht) consisting of 12,500 ordinary shares (Twelve thousand five hundred ordinary shares) with par value of 100 Baht (One hundred baht) per share.

2.4.3) Location of the company that issued securities; No. No. 10/53, 2nd Floor The Trendy Building, Sukhumvit 13 (Sangchan) Alley, Klongtoey Nua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91.

2.4.4) Management in the associated company; the Company has sent representative of the Company to be director or executive of associated company. (The subsidiaries registered with the Ministry of Commerce on 15 January 2019)

3. Other Securities of the Company as at December 31, 2018

- None -

Shareholder

(1) The Shareholder of Apex Development Public Company Limited Name and the top 10 shareholding as of the last book closing date 1 November 2017.

Major Shareholders as of the last book closing date on 13 March 2018

No.	Name	Relationship	Amount of shares	% of all shares sold
1	Mr. Pongphan Sampawakoop Ms. Puangchan Sampawakoop Mr. Ekapong na Ranong	Director Mr. Pongphan's sister Ms. Puangchan's son	759,784,349 588,211,278 551,614,374	18.99 14.70 12.13
	Subtotal : Sampawakoop's family Group		*1,899,610,001*	*47.48*
2	OCEANWIDE SECURITIES Company Limited A/C CLIENT		287,191,716	7.18
3	Ms. Sirirattha Jintanasathi		150,673,416	3.76
4	Ms. Athiraya Thitiwongwattana		138,965,949	3.47
5	Mr.Somsak Tuntanawiwat		124,978,100	3.12
6	Brooker Group Public Company Limitied		104,255,551	2.60
7	Ms. Varin Bulakul		78,477,914	1.96
8	Ms. Anokthip Nuamcharoen		67,467,851	1.68
9	Mrs. Vorapan Jungsubpaisarn		53,000,000	1.32
10	Mr.Sompong Chonkadeedumkul		40,000,000	1.00
	Subtotal : the first 10 shareholders		2,944,620,498	73.57
	Other shareholders		55,229,502	26.43
	Total Shareholders		2,999,850,000	100.00

Shares of the Company can be transferred without any limitation, except that the transfer is caused the portion foreign shareholders limit at 49% of total sold shares. As of 13 March 2018, shares of the Company hold by 28 foreign shareholders total of 353,992.025 shares equals to 8.85 % of paid-up capital.

Issuance of other securities

Resolutions of the 1/2017 Extraordinary General Meeting of Shareholders which be held on 11st August 2017. The Company to consider and approve the increase capital of the company in the amount of 1,499,925,000 ordinary share and the issuance allocation follow as about :-

1. Increased ordinary shares in the amount of 999,950,000 shares to be offered to the existing shareholders in accordance with their shareholding ratio (RO), at the price of 0.50 baht per share, in the ratio of 3 existing shares to 1 new ordinary share (any fraction of shares will be disregarded).

2. Increased ordinary shares in the amount of 499,975,000 shares to be offered in accordance with the exercise of the warrants to purchase the ordinary share of the Company (APEX-W1) in the amount of 499,975,000 units which were issued to the existing shareholders who exercise their right to subscribe for newly issued ordinary shares at the ratio of 2 existing shares to 1 unit of warrant (any fraction will be disregarded)

The existing shareholders who subscribed for the increased shares at the ratio of 2 new shares to 1 unit of warrant. By the warrant to purchase ordinary share of Apex Development Public Company Limited No.1 (APEX-W1) amount of 499,975,000 shares ,will have exercise period of 3 year counted from issue date (1 July 2018 to 30 June 2021) the exercise ratio 1 unit of warrants shall be entitled to purchase 1 ordinary share, exercise price 0.40 Baht per share. The date to exercise warrant will be on the last business day of June and December of every year. Term of exercise No.1 on 28 December 2018, No.2 on 28 June 2019, No3. on 27 December 2019, No.4 on 30 June 2020, No.5 on 30 December 2020, the last exercise date No6. on 30 June 2021.

Dividend Payout Policy

APEX has dividend policy to pay dividend to its shareholders in the rate of not more than 50% of net profit of separate financial statement after deducting taxes and all reserves (if any). APEX will pay dividend when its retained loss was written-off. Nonetheless, the dividend payment is subjected to be changed depending on its financial status, liquidity, working capital needs for operation, business expansion plans, and other related factors in the operation management of the Company. The payment of the dividend shall receive approval from the Board of Directors and major shareholders of the Company and also be considered on the aspect of cash sufficiency for normal operation of the Company.

For the interim dividend, the Board of Directors can approve such dividend payment but then has to report to the general meeting of shareholders in the next meeting. The subsidiaries and associated companies have policies to pay dividend from net profit after deducting taxes and all legal reserves. Such dividend payment must have no impact on normal operation which depends on their future investment plans, financial structure and liquidity of each company. There is no determinate minimum dividend payment rate for those companies.

Since the Company has the net loss for the year, as of 31 December 2018 is 302.95 million baht, the Company cannot pay dividend until such loss cleared. However, the dividend payment to shareholders is still in accordance with the original policy of the company.

Dividend payment policy of subsidiaries

Dividend payment policy of subsidiaries is in the same direction as the company. Not more than 50% of net profit of separate financial statement after deducting taxes and all reserves (if any) (with additional conditions), except has necessary to invest to expand business or other important activities.

Management Structure

Organization of Apex Development Public Company Limited

Dr. Sathit Limpongpan

Company Advisor

Pongwit Sampawakoop

Advisor to Executive Chairman

Board of Directors

Audit Committee

Board of Executive Directors

Pongphan Sampawakoop

Chief Executive Officer

Senior Internal Auditor

Personal Assistant

Jitra Chaichan

Executive Vice President
Finance and Accounting

Thanawan Suwanrit

Vice President
Human Resource and Admin

Srisakul Burakamkovit

Vice President
Purchasing

Thanatdet Chuenrabiab

Vice President
Construction

Arpassorn Prayoonpoakarach

Vice President
Special Project

Jamnong Singha

Vice President General Admin
& Building Management

Teerayut Thaiturapaisan

Vice President
Finance

Virat Lertsumpuncharoen

Vice President
Legal

Aekkachai Na Ranong

Vice President
International Affairs and Development

Wilailak Kraisuwannasarn

Vice President
Sales and Marketing

คณะกรรมการบริษัท

Pongphan Sampawakoop
Chairman of the Board of Directors
Chief Executive Officer

Padoongpun Jantaro
Director
Chairman of the
Audit Committee

Chatchawan Triamvicharnkul
Director
Audit Committee

Chalit Satidthong
Director
Audit Committee

Siripong Silpakul
Director
Audit Committee

Prakai Cholahan
Director

Virat Lertsumpuncharoen
Director

Thunwa Rungsittimongkol
Director

Pansuagn Xumsai na Ayudhya
Director
Independent director

1. Board of Directors of the Company

The Company has the Board of Directors consisting of 9 persons. (As at December 31, 2018)

Name	Position	Remark
1. Mr. Pongphan Sampawakoop	Chairman of the Board of Directors / Chief Executive Officer	/
2. Mr. Prakai Cholahan	Director	/
3. Mr. Virat Lertsumpuncharoen	Director	/
4. Mr. Thunwa Rungsittimongkol	Director	//
5. Mr. Padoongpun Jantaro	Director / Chairman of the Audit Committee / Independent director	///
6. Mr. Chalit Satidthong	Director / Audit Committee / Independent director	///
7. Mr. Siripong Silpakul	Director / Audit Committee / Independent director	///
8. Mr. Chatchawan Triamvicharnkul	Director / Audit Committee / Independent director	///
9. Mr. Pansuagn Xumsai na Ayudhya	Director / Independent director	//

Note: / = *Director who holds position in the chain of command*
// = *Director who does not hold position in the chain of command*
/// = *Director and Audit Committee who does not hold position in the chain of command*

(Details of qualifications and training background of the Company's directors and the executives shall be found in the attached document no. 1)

Authorized directors of the Company are Mr. Pongphan Sampawakoop, Mr. Prakai Cholahan and Mr. Virat Lertsumpuncharoen by directors who have the authorization to bindingly sign for the Company are 2 authorized directors who jointly sign on behalf of the Company.

Qualication and composition of the Board of Directors

The Board of Directors of the Company consists of persons with knowledge and competent who have the important role in drawing up the Company's policy by collaborating with the top executives in planning the operation both short and long term including setting financial policy, risk management and organizational overview. This Board of Directors has also played the major role in overseeing, monitoring and independently assessing the operation's result of the Company and the performance of top executives according to the plan.

All 9 members of the Board of Directors do not have any prohibited qualification as follows:

1) No record of criminal offenses in relation to property, which was done by corruption.

2) No transactions which may cause conflicts of interest against the Company during the past year.

Directors who are the executives of the Company consist of 3 persons which are : Chief Executive Officer 1 person, and Executive Directors 2 persons.

Directors who are not the executives of the Company consist of 5 persons, independent directors 1 person.

Directors who are independent directors consist of 4 persons namely Mr.Padoongpun Jantaro, Mr. Chalit Satidthong, Mr.Siripong Silpakul, Mr.Chatchawan Triamvicharnkul, constituting more than one-third of total number of directors. In addition, 4 independent directors meet all the requirements specified in the Company's list of qualifications of an independent director and comply with the regulations of the Securities and Exchange Commission.

The Board of Directors' Meeting

Directors of the Company must attend the Board of Directors' meetings regularly in order to get informed and share decision making in the Company's business operations. The meeting shall be held at least 4 times per year. The meetings' schedule is planned in advance on an annual basis. Each director will be informed about the schedule from the beginning of the year for the purpose that each director will be able to arrange their time for attending the meeting. In addition, special meeting might be held to consider the important and urgent matters.

In the meeting Chairman of the Board of Directors, Chief Executive Officer, and Managing Director of the Company jointly determine which agenda items are relevant to the meetings. Every individual member of the Board is entitled to propose agenda items.

In 2018, the Boards held 8 meetings which are scheduled for a year in advance with 90 percent of Board of Directors attending. Individually, each director attended more than 90 percent of total number of meeting. Prior to each meeting, all members received the agenda and supporting documents 5 working days prior to the date of the meeting to allow adequate time for preparation.

When considering the matters presented to the Board, the Chairman of the Board presides over and duly conducts the meetings. All members of the Board are allowed to express their opinions independently. Resolutions are passed with a majority vote, whereby one director is eligible to vote shall be excused and/or abstain from voting. In case of a tied vote, the chairman of the meeting will cast his vote to reach a resolution.

In addition, the Board attaches significance to managing the conflicts of interest of the concerned parties with prudence, fairness and transparency. The information shall be fully disclosed. Any director with a vested interest in the matter under consideration must not be involved in the decision process.

After the Meeting, the secretary to the Board of Directors is responsible for preparing the minutes for all directors. The minutes must then be approved as the first agenda item of the following meeting of the Board, which is duly signed by the Chairman. Directors may make comments, corrections or additions to ensure maximum accuracy and completeness. After approval, minutes of the meeting are stored securely in the corporate secretary's office together with all related documents, which are backed up electronically to facilitate data searches and refer.

2. The Executive Committees

As of 31 December 2018, APEX's the executive committees comprise of 5 executives:

	Name	Position
1	Mr.Pongphan Sampawakoop	Chairman of the executives committee
2	Mr.Prakai Cholahan	Executives committee
3	Mr.Virat Lertsumpuncharoen	Executives committee
4	Mr.Thunwa Rungsittimongkol	Executives committee
5	Mr.Supa–us Tapaneeyakorn	Executives committee

(Details of qualifications and training background of the Company's directors and the executives shall be found in the attached document no. 1)

The above-mentioned list of top executives of the Company is "Executive" according to the Notification of the Capital Market Supervisory Board No. Tor. Chor. 23/2551.

All 5 top executives have no forbidden qualifications as follows:

1) Never dishonestly committed an offence against property.
2) Never entered into any transaction which may cause conflicts of interest against the Company during the year.

APEX top executives are empowered with an authority to operate business under the policy, strategies and goals directed by the Board of Directors, which approves a clear and definite scope of responsibilities to ensure transparency and flexibility of operation. Their duties also encompass controlling and keeping expenses and capital expenditures within the limits approved by the Board in the annual operating plan; managing human resources in line with the prescribed policy; resolving problems or conflicts that affect the Company; and maintaining effective communication with related parties.

3. The Executives

As of 1st February 2019, APEX's Management comprise of 11 managements:

	Name	Position
1	Mr.Pongphan Sampawakoop	Chief Executive Office
2	Mrs.Jitra Chaichan	Executive Vice President Finance & Accounting
3	Mr.Teerayut Thaiturapaisan	Vice President Finance and Accounting
4	Mr.Jamnong Singha	Vice President Administration
5	Mr.Virat Lertsumpuncharoen	Vice President Legal
6	Mr.Arpassorn Prayoonpoakarach	Vice President Special Project
7	Mr.Thanatdet Chuenrabiab	Vice Construction
8	Mr.Ekachai na Ranong	Vice President International Affairs and Development
9	Ms.Wilailak Kraisuwannasarn	VP.Sales & Marketing
10	Ms.Srisakul Burakamkovit	Vice President Purchasing
11	Mrs.Thanawan Suwanrit	VP. Human Resource & Administration

Remark : *The Management No.7 and No.9 take a position on 1st February 2019*
The Management No.10 take a position on 26th November 2018
The Management No.11 take a position on 16th July 2018

4. The Company's secretary

The Board of Directors appointed Mr.Virat Lertsumpuncharoen as the Company's secretary responsible for providing advice to the Board regarding the performance of duties in compliance with the law, preparing the minutes of the Board's meetings, and attending every Board meeting; preparing the minutes of shareholders' meeting, annual report and keeping documents storage as required by law; including the responsibility for corporate governance of the Company.

The Company constantly supports the company secretary to undergo training and development in the areas of law, accounting, or corporate secretarial work. The qualifications and experience of the company secretary are disclosed in the Company's annual report.

5. Remuneration of the Board of Directors

The Company has fixed appropriate remuneration for the Board of Directors and top executives at rate comparable to the remuneration of directors in the same industries. Remuneration for the Board is also considered based on the Company's performance, before being proposed for approval in the shareholders' meeting. Remuneration of top executives: the Board of Directors shall consider the compensation of top executives by taking into account the role, duty, responsibility and performance of each individual; including the Company's performance, implementation of the policy assigned by the Board together with overall economic and social situation by comparison both the current and historical data on the following factors.

1. Performance of business which shall be set forth each year by using the sales and profit before tax for assessment and comparison purposes.
2. Comparison of the Company business performance with those of the other companies in the same industry.
3. The executive's capability to develop and improve operational efficiency to be better each year.

In the Annual General Meeting of Shareholders for the year 2018 held on April 26th, 2018, a resolution passed concerning the remuneration of directors by making monthly remuneration in form of entertainment and Approved the amount of the meeting remuneration for the Directors equal to Baht 10,000 per person/per time and to pay monthly compensation to audit committee member at Baht 20,000 per month .

The Remuneration of directors and executives

(1) Remuneration in cash

The Remuneration of directors was paid form of director fees, with the following details:

Name	Position	Remuneration
Mr.Pongphan Sampawakoop	Chairman of the Board of Directors / Chief Executive Ofcer	120,000.-
Mr.Prakai Cholahan	Director	120,000.-
Mr.Virat Lertsumpuncharoen	Director	120,000.-
Mr.Thunwa Rungsittimongkol	Director	120,000.-
Mr.Padoongpun Jantaro	Director / Chairman of the Audit Committee / Independent director	410,000.-
Mr.Chalit Satidthong	Director / Independent director	390,000.-
Mr.Siripong Silpakul	Director / Independent director	390,000.-
Mr.Chatchawan Triamvicharnkul	Director / Audit Committee / Independent director	420,000.-
Mr.Pansuagn Xumsai na Ayudhya	Director / Independent director	90,000.-

Other Remuneration of executives The remuneration of year 2018 in form of provident fund contributed by the Company was total 26,118,398 Baht

(2) Other Remuneration of directors

- None –

(3) Various meetings of directors in 2018 are detailed as follows:

(per time/ all time)

Name of Directors	Board Meeting	Audit Committee Meeting	Annual General Meeting of Shareholders
Mr.Pongphan Sampawakoop	12/12	-	1
Mr.Prakai Cholahan	12/12	-	1
Mr.Virat Lertsumpuncharoen	12/12	-	1
Mr.Thunwa Rungsittimongkol	12/12	-	1
Mr.Padoongpun Jantaro	11/12	6/6	1
Mr.Chalit Satidthong	9/12	6/6	1
Mr.Siripong Silpakul	9/12	6/6	1
Mr.Chatchawan Triamvicharnkul	12/12	6/6	1
Mr.Pansuagn Xumsai na Ayudhya	9/12	-	1

6. Human Resources

a) Remuneration

The Company has employees (APEX) totally 104 persons, divided into the followings:

Departure	Persons
Management	11
General & Admin Construction	14
Sales & Marketing	39
International. Affairs & Development	-
Finance & Accounting	8
Legal	2
Human Research / Admin/Secretary	27
Total	**104**

Total return of employees (Not included the Directors and executives in The definition of the Notification of the Board of the Capital Market Supervisory Board) of the year 2018 by detail as follow :

Detail	**Amount**
Salary	36,862,267.00 บาท
Bonus	3,067,210.00 บาท
Money support providence Fund	484,496.00 บาท
Money support Social Security Fund	738,050.00 บาท
Total	41,152,023.00 บาท

Good Corporate Governance

Corporate governance policy shall be divided into 5 sections with details as follows:

1. Corporate Governance Policy

The Board of Directors realizes the significance of good corporate governance which constitutes a foundation for a policy formulated to oversee the Company's operations. This policy encompasses the impartial treatment among shareholders and stakeholders; the role, responsibility, and independence of directors; information disclosure and transparency; internal controls and internal audits; risk management; business ethics; and policy compliance for the Board, the Management, and all employees. The policy on good corporate governance has been commenced as follows:

1. The Board must treat and communicate with shareholders on an equitable basis.

2. The Board must be mindful of the rights of all stakeholders and strives to promote a good understanding of and cooperation with the Company.

3. The Board conducts their duties with due regard for the best interests of the Company and shareholders. The Board also establishes a structure and procedure to clearly define and separate the role and responsibilities for the Board from those of shareholders and the Management.

4. The Board takes due care to ensure that the Management discloses Company reports and information which are accurate, timely, transparent and in conformance with the applicable laws and regulations.

5. The Board is responsible for establishing a structure to evaluate the performance of the Management with reference to management policy and effectiveness of the internal control system.

Approval authorities and the scope of the approval authorities

1. Investment in fixed assets and investment in other company.

No.	Authority	Limit
1	Vice President	Not over 100,000.00 baht
2	Chief Executive officer	Not over 50 million baht
3	Executive Committee	Not over 100 million baht
4	Board of Director	Unlimited

The scope of the approval

1.1 Sales and purchase of land, building and equipment means assets beneficial in business and services, which are expected to be benefit more than one year.

1.2 Sales and purchase of intangible asset which doesn't have figure and the business hold them for research and development.

1.3 Sales and purchase of the other permanent assets.

1.4 Investment in other properties

1.5 The acquisition of shares in other companies

2. Construction Costs

No.	Authority	Limit
1	Vice President	Not over 100,000.00 baht
2	Chief Executive officer	Not over 50 million baht
3	Executive Committee	Not over 500,000,000บาท
4	Board of Director	Unlimited

The scope of the approval

2.1 Cost of the construction and public utility, the definition of cost will be calculated from engineers to estimate the cost as “the average price”, For controlling the construction costs of the company which is approved and the figure is always adjusted to relate with the market price.

2.2 The contractors ’employment means construction cost in the part of the constructions employment by agreement which is more or less than the average price.

2.3 The construction material purchasing means purchasing of material for constructions along the agreement terms and the order sheets of customers, in case of over or less of the average price.

2.4 Repair of villa or residences which are the products for sales or after sales fixing for the dissatisfied customers per each villa or residences.

2.4.1 In case of before the transferring of the villas or residences and more than the guarantee from the contractors of that area.

2.4.2 In case of after the transferring of villa or residence.

2.5 The expenditure of the project improvement and development means the expenses in purchasing and employment for improvement and development to be ready for project opening.

3. Selling & Marketing Expenses

3.1 Marketing Expenses

No.	Authority	Limit
1	Vice President	Not over 100,000.00 baht
2	Chief Executive officer	Not over 10 million baht
3	Executive Committee	Not over 20 million baht
4	Board of Director	Unlimited

The scope of the approval

3.1.1 The advertising and promotion expenses means marketing consultant, marketing research, Media advertising, Design, billboards and Brochures, Procurement media buying, Venue and billboards rental, Event and booth rental.

3.1.2 Other marketing and selling expenses.

3.1.3 Entertainment expenses means the expenditure is spent on customer service to make customers satisfied and include other marketing activities.

3.2 Sale Discount

No.	Authority	Limit
1	Vice President	Not over 100,000.00 baht
2	Chief Executive officer	Not over 5 million baht
3	Executive Committee	Not over 20 million baht

The scope of the approval

3.2.1 Discount from sales department is called “discount price” which is different form a promotion. A discount price, calculated by deducting the price from the price list, shall not be below the net selling price.

4. Administrative Expenses

4.1 Employees Expenses

No.	Authority	Limit
1	Vice President	Not over 50,000.00 baht
2	Chief Executive officer	Not over 5 million baht
3	Executive Committee	Not over 10 million baht
4	Board of Director	Unlimited

The scope of the approval

Employees expenses means salary and wages including welfare that the company gives to all staff and commission of sales, calculated from the commission policy.

4.2 Administrative Expenses

No.	Authority	Limit
1	Vice President	Not over 50,000.00 baht
2	Chief Executive officer	Not over 10 million baht
3	Executive Committee	Unlimited

The scope of the approval

Administrative expense means the expenses for general administration about management.

4.3 The expenses for obligation of more than one year.

No.	Authority	Limit
1	Vice President	Not over 50,000.00 baht
2	Chief Executive officer	Not over 10 million baht
3	Executive Committee	Unlimited

The scope of the approval

The expenses with the long term obligation , which has duration more than 1 year means the expenses happens along the agreement terms or any obligation in the contract not the amount of all installments only.

2. The Sub-committees

The Board has further established various Sub-committees such as the Audit Committee, and the Company's management committee to be responsible for their specific areas and report directly to the Board for its consideration or reference by stipulating duties and responsibilities of various Sub-committees. Moreover, the Board of Directors is entitled to form other sub-committees to handle any specific situations as seen appropriate.

1. The Audit Committee

The Audit Committee comprises 5 independent directors, all of whom are well accepted and have a full understanding of, and experience in, accounting or finance. Mr. Chatchawan Triamvicharnkul with their extensive knowledge and experience, are responsible for reviewing the reliability of the financial statements. The Audit Committee members' duties include a review to ensure that operations have been carried out in accordance with the Company's Articles of Association as well as the laws and regulations of compliance-related agencies. Moreover, the Committee is committed to promoting the advancement of the Company's financial and accounting report system to meet international standards and to ensure that the Company has an appropriate, modern and efficient internal control system, internal audit system and risk management system. The Audit Committee acts and expresses opinions independently. The Audit Committee also consults regularly with external auditors, consultants and specialists in the areas of law and accounting. The Audit Committee must set up meetings with the Company's external auditors to get their opinions on various matters.

As of 31 December 2018, APEX's audit committees comprise of 4 directors:

	Name	Position
1	Mr. Padoongpun Jantaro	Chairman of the Audit Committee / Independent director
2	Mr. Chalit Satidthong	Audit Committee / Independent director
3	Mr. Siripong Silpakul	Audit Committee / Independent director
4	Mr. Chatchawan Triamvicharnkul	Audit Committee / Independent director

Mr. Chatchawan Triamvicharnkul is the audit committee who has experiences in finance and accounting.

The scope, duties and responsibility of the Audit Committees

1. Verify the Company to have correct financial report as it should be according to the accounting standard specified by the law and sufficient disclosed.

2. Verify the Company to have suitable and sufficient internal control.

3. Verify the Company to follow public company laws, laws relating to securities and exchange, specification of SET, announcements of the capital market supervision committee and the law relating to the Company's businesses.

4. Consider, select and propose to appoint including discharge the Company's auditor. Propose the compensation of auditor. Monitor auditor's performance and working independence.

5. Review relating transaction to avoid the conflict of interest between the Company and related parties.

6. Consider the disclosure of related party transactions to make sure that correct and sufficient.

7. Verify and approve the charter of internal auditing, auditing plan, work operation, manpower and annual budget of the Company.

8. Consider and approve on appointing, discharging, rotating, unemploying the Company's internal audit department.

9. Carry out the tasks assigned by the Board of Directors that are also approved by the Audit Committee, for example:

- Review and assess suitability of rules and regulations of the Company and other relating laws/regulations.
- Review the Company's financial management and risk management system.

- Review the management's practices according to the Company's Code of Conduct.
- Review, with the Company's management, on any important reporting to public which stated by laws such as the analysis reports by management, etc.

10. Determine any information or clues about corruption received from the Company's personnel or outsider according to the whistle-blower hotline instructions including anti-corruption instructions.

11. Prepare audit committee's corporate governance reports and disclose in the Company's annual reports which signed by the Chairman of Audit Committee.

Moreover, the audit committee is responsible directly to the Board of Directors and the Board of Directors is responsible to managing the Company, to shareholders and to outsiders.

Term of Audit Committee

1. Chairman of the Audit Committees 3 years
2. Audit Committees 3 years

2 The Executive Committees

As of 31 December 2018, APEX's the executive committees comprise of 5 executives:

	Name	Position
1	Mr.Pongphan Sampawakoop	Chairman of the executives committee
2	Mr.Prakai Cholahan	Executives committee
3	Mr.Virat Lertsumpuncharoen	Executives committee
4	Mr.Thunwa Rungsittimongkol	Executives committee
5	Mr.Supa-us Tapaneeyakorn	Executives committee

The scope, duties and responsibility of the Executive Committees

1. Develop policies, directions, strategies and management structure for business operation of the Company for supporting corporate competitiveness which informed to shareholders for the Board of Directors approval.
2. Develop business plan, budgets, and management authorities of the Company for the Board of Directors approval.
3. Monitor the Company's practices according to policies and instructions for business efficiency.
4. Monitor and follow-up the Company's performance according to approved business plans.
5. Consider large investment projects for the Board of Directors approval.
6. Process financial transactions with financial institutions for the Company such as opening accounts, applying for loan, pledging collateral and others including selling or purchasing and registering of lands for the Company's business purposes.
7. Establish work instructions of the Company's operations.
8. Determine for approval on appointing and discharging employees in management level.
9. Determine for approval on wages, salary, others compensations revision and determine performance of employees.
10. Appoint persons or groups of persons to conduct actions for the Committee and for the Company's purposes.
11. Approve any expenses of assets acquisitions and other expenses on appreciates purposes of the Company.
12. Provide opinions on the Company's operation and performances.
13. Provide opinions on any departments' operation and control managing of each department being efficiency, in-time and meet agreed quality.
14. Carry out any actions of the Company which have not been assigned to specific persons.
15. Monitor, control and approve on the normal operations of the Company. The Committee may grant authority to any management or persons to action on the day-to-day operations of the Company.
16. Carry out any assignment from the Board of Directors.

3. Nomination and Appointment of Directors and Top Executives

In 2018, the Company has not established Nomination Committee. Therefore, the Board of Directors had considered nominating individuals to serve as directors to replace the directors who retire before their term expires on the basis of qualifications under Section 68 of the Public Limited Companies Act 2535.

In addition, the Company provides opportunities to nominate directors and top executives through the company's website for recruiting director with details of profiles, career history, and contact address including the letter of consent to be the Company's director of that person and the Board will propose to the shareholders' meeting for further consideration.

The shareholders' meeting will elect directors by using majority votes and assuming everyone has one vote per share.

Independent Directors

The 5 independent directors are Mr.Padoongpun Jantaro, Mr.Chalit Satidthong, Mr.Siripong Silpakul, Mr. Chatchawan Triamvicharnkul, Mr.Pansuagn Xumsai na Ayudhya.

Qualifications of Independent Directors of the Company

The Company's qualifications for independent directors are as follows:

1. Shall not hold shares exceeding 1 percent of the total number of voting shares of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, including shares held by related persons of such independent director.

2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than 2 years prior to the date of becoming a director. Such prohibitions shall not, however, include cases where the independent director previously served as a government officer or an advisor to a government agency which is a major shareholder or controlling person of the Company.

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of an executive, major shareholder, controlling person, or person to be nominated as director, executive or controlling person of the Company or its subsidiary.

4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, in a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

The term "business relationship" in the preceding paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, and any other similar actions, which result in the applicant or his/her counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or 20 Million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions. The consideration of such indebtedness shall include indebtedness incurred during the period of one year prior to the date on which the business relationship with the person commences.

5. Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 Million Baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.

7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.

8. Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1percent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.

9. Shall not have any other characteristic that limits his or her ability to express independent opinions regarding the Company's operations.

10. Shall be able to attend meetings of the Board of Directors and make independent judgment.

11. Shall be able to look after the interests of all shareholders equally.

12. Shall be able to prevent conflicts of interest.

13. Shall not have been convicted of violating security or stock exchange laws, financial institution laws, life insurance laws, general insurance laws, anti-money laundering laws or any other financial law of a similar nature, whether Thai or foreign, by an agency with authority under that certain law. Such wrongful acts include those involved with unfair trading in shares or perpetration of deception, fraud or corruption.

In 2018, all the 4 Independent Directors neither involved in any business nor provided any professional service of which its value exceeded the specification in the Notification of Capital Market Supervisory.

4 Oversight of Company's Subsidiaries and Associates

In order to ascertain that the oversight of Company's subsidiaries and associates aligns with the operating policies prescribed by the Board of Directors, the management committee has set forth mechanisms for overseeing and monitoring the management and operations of Company's subsidiaries and associates. To that effect, the Board has empowered Chief Executive Officer and/or Managing Director to perform such duties as selecting representatives to be board members, executives, or controlling persons in those entities and reporting it to the Board.

5 Internal Information Control

The Company attaches significance to preventing the misuse of information that has not yet been disclosed to the public or confidential information that could have any impact on the Company's share price for one's own benefit or others. To that effect, the Company has established measures to prevent misuse of internal information (insider trading) and incorporated them into Apex Code of Conduct and Regulations for Employees in writing to provide guidelines for the concerned persons, namely, the Board of Directors, Apex top executives, and employees responsible for related functions as well as their spouses and children who are minors. They are as follows:

• The Board of Directors, top executives, and employees responsible for related functions as well as their spouses and children who are minors are prohibited from trading Company shares prior to the release of the Company's quarterly and annual financial statements.

The Company has made it imperative to review share trading of the concerned persons on a regular basis and to prevent employees involved with the preparation of the financial statements from disclosing the information to outsiders from the closing date of the financial statements to the public disclosure of the information.

Moreover, the concerned persons who have knowledge of confidential information that could impact the Company's share price are prohibited from trading the Company's shares until 24 hours after the public disclosure.

• Directors and executives (Top Executives) as defined by SEC are required to make an initial reporting of their securities holding in the Company to the

SEC within 30 days of the date on which they are appointed (Form 59-1). They are also required to report on any changes in securities holding as a result of the purchase, sale, transfer or acceptance of transfer of securities (Form 59-2) within 3 business days of the date of any changes.

In addition, the Board of Directors will monitor to ensure compliance with such measures. It is stipulated that any changes in their shareholding be reported in the Board of Director's meeting. The number of shares held by the directors and top executives both directly and indirectly as of the beginning and end of the year as well as those traded during the year shall be reported in the Annual Report.

In 2018, there were no insider trading cases concerning the director, top executives, and employees involved with internal information.

6 Audit fee

For the fiscal year 2018, the Company and its subsidiaries paid an audit fee not to exceed Baht 4,750,000 Baht per year to PricewaterhouseCoopers ABAS Co., Ltd. (PwC), which the auditors worked for, and to persons or businesses related to the auditors and audit firm.

In this regard, PricewaterhouseCoopers ABAS Co., Ltd. (PwC) and its auditors do not have any relationships or interests involving the company, management, or major shareholders, including their related persons.

Non-audit fee - None -

Corporate governance policy shall be divided into 5 sections with details as follows:

1. The Rights of Shareholders Section

Apex has the policy to support, promote, and facilitate every shareholder including institutional investors to ensure that shareholders, both as investors and owners of the Company, are entitled to all basic rights meeting widely accepted and reliable standards, which include the right to freely trade or transfer their own shares, the right to receive dividends from the Company, the right to attend Shareholder's Meetings, the right to propose in advance the Meeting agenda, the right to nominate a person to be a director, the right to express opinions independently, and the right to make decisions on important affairs of the Company, e.g., the election of directors, the appointment of auditors and fixing of the audit fee, approval of significant transactions influencing the Company's direction, as well as amendment of Memorandum of Association and Articles of Association of the Company, etc. Each shareholder has the right to vote at meetings according to the number of shares owned whereby one share is entitled to one vote, and no particular shareholder allows privilege over the rights of other shareholders.

Apart from the abovementioned rights of the shareholders, the Company has made additional efforts to encourage and facilitate shareholders to exercise their rights as follows:

1. To provides essential, clear, and up-to-date information for shareholders regarding the Company's business. The Company will notify shareholders of the information through Apex's website and the Stock Exchange of Thailand (SET).

2. To ensure all shareholders receive clear and sufficient detailed information concerning the Shareholders' Meeting, allowing them to have adequate time to study the information before attending the Meeting, the Company will notify shareholders of the venue, date, time, and proposed agenda items. The information in Thai and English will be posted on the Stock Exchange of Thailand (SET) portal and Apex's website approximately 28 days prior to the Meeting.

For the meeting notice, the Company provides a detailed description of each agenda item together with the opinion of the Board of Directors. A notice of the meeting and attachments including the registration form, documents and evidence required prior to attending the Meeting, proxy procedure, registration, and proxy forms, in Thai and English, will be posted on Apex's website at least 30 days before the Meeting. Such documents are submitted to shareholders no less than 21 days prior to the Meeting.

3. To facilitate shareholders unable to attend a Meeting, the Company provides an opportunity for them to appoint a representative, e.g., an independent director or any other person to act as proxy, using one of the proxy forms attached to the notice of the Meeting. The proxy forms prepared in compliance with the specifications defined by the Department of

Business Development at the Ministry of Commerce allow the shareholders to exercise their voting rights as they wish. The Company also attaches documents and evidence required prior to attending the Meeting, proxy procedure, and registration to the notice of the Meeting. Also attached is a profile of independent directors with no conflict of interests on the agenda to elect the directors proposed by the Company to serve as proxies for shareholders. The proxy forms in Thai and English can be downloaded from Apex's website.

For foreign investors who authorize custodians in Thailand to keep and safeguard their shares, the Company will arrange for the documents and evidence required prior to attending the Meeting well in advance to facilitate registration on the date of the Meeting.

4. The Company provides opportunities for the shareholders to submit questions related to items on the agenda or other information prior to the Meeting to the email address www.apexpcl.com or to the Company's address. For more information, please contact the Office of the Company's Secretary via the following channels:

Apex Development Public Company Limited, address No.10/53-56, 2nd Floor The Trendy Building, Sukhumvit 13 (SangChan) Alley, Klongtoey Nua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91 Email : info@apexpcl.com.

5. For 2018, the Company held the Annual General Meeting (AGM) of Shareholders on April 26th, 2018 with 9 directors attended the Meeting as follows:

	Name	Position
1	Mr.Pongphan Sampawakoop	Chairman of the Board of Directors / Chief Executive Officer
2	Mr. Prakai Cholahan	Director
3	Mr. Virat Lertsumpuncharoen	Director
4	Mr. Thunwa Rungsittimongkol	Director
5	Mr. Padoongpun Jantaro	Director / Chairman of the Audit Committee / Independent director
6	Mr. Chalit Satidthong	Director / Audit Committee / Independent director
7	Mr. Siripong Silpakul	Director / Audit Committee / Independent director
8	Mr. Chatchawan Triamvicharnkul	Director / Audit Committee / Independent director
9	Mr. Pansuagn Xumsai na Ayudhya	Director / Independent director

6. The 2018 Annual General Meeting of Shareholders was held by the Company at the Meeting Room on The Ball Room 7 floor at Sofital Hotel Sukhumvit No.189 Sukhumvit Road , Klongtoey Nua Sub-district, Wattana District, Bangkok 10110 to facilitate the increased number of shareholders, allowing them to raise questions and express opinions in the same meeting room, thereby ensuring a smooth, efficient meeting. Moreover, the venue was easily accessible by shareholders as it is located convenience by BTS sky train at Nana Station.

7. On the date of the Meeting, in the case of the appointment of another person as a proxy, the Company facilitated the affixing of the stamp duty on all proxy forms registering at the document check counter. The Company's officers were available at all times to provide assistance during the registration. Registration for the Meeting started no less than 1 hour prior to the Meeting.

8. The Company assigned independent representatives from the auditor to check vote counting throughout the Meeting with the shareholder's right protection volunteer from Thai Investors Association serving as an observer.

9. Shareholders arriving after the Meeting commenced were allowed to vote on the agenda item considered provided that a resolution was not yet made. They constituted part of the quorum starting from the agenda item for which they were in attendance and can exercise their rights. As a consequence, the number of shareholders in each agenda item might vary.

10. At the Meeting, shareholders were allowed to freely express their opinions, give suggestions and raise questions on any agenda item before casting votes, so that shareholders could obtain sufficiently detailed information on the matter in question. When shareholders had questions or inquiries, specialists in specific

fields were available to answer queries under the authority of the Board with representatives from the Auditor of the company as witnesses.

11. The agenda of the 2018 Annual General Meeting of Shareholders was considered chronologically as it appeared in the invitation letter submitted to shareholders prior to the Meeting, without any changes in order or request the Meeting consider any agenda item other than those specified in the invitation letter.

12. The Company disclosed the voting results and resolutions for each agenda item at the 2017 Annual General Meeting of Shareholders to the public via SET Portal and Apex website after the Meeting ended.

13. The Company prepared the minutes of the Shareholder's Meeting completely encompassing all material information: names of Directors and the Management attending the Meeting, voting procedure, resolutions of the Meeting, voting results for each agenda item, key questions, clarification, and shareholders' comments. The Company prepared the Minutes of the 2018 Annual General Meeting of Shareholder's and submitted them to the Stock Exchange of Thailand and the Ministry of Commerce within 14 days from the date of the meeting as stipulated by law. They were disseminated on the Company's website.

14. Following the Annual General Meeting (AGM) of Shareholders, the Management will consider the questions and suggestions made by shareholders at the Meeting and propose them to the Board of Directors to determine appropriate response measures and improve the next AGM of shareholders.

2. The Equitable Treatment of Shareholders Section

The Company is fully aware of its duty to protect the interests of every shareholder, major or minor, individual or institutional as well as Thai or foreign investors to ensure equality and fair treatment for all to further ensure the maximum benefits of shareholders. The efforts are as follows:

Empowering shareholders unable to attend the Meeting to assign proxies to vote in their place

Shareholders unable to attend the Meeting are entitled to appoint the Independent Director of the Company with no conflict of interests on the agenda to act as a proxy to vote in their place, using one of the two proxy forms prepared in compliance with the specifications defined by the Department of Business Development at the Ministry of Commerce. The Company delivered the 2 proxy forms, the documents and evidence required prior to attending the Meeting, proxy procedure, and registration together with the Notice to Shareholders' Meeting, in Thai and English, to shareholders 21 days prior to the Meeting date. The documents, in Thai and English, were also publicized on the Company's website more than 28 days prior to the Meeting date.

Assigning Independent Directors to Take Care of the Interests of the Company and Shareholders

Independent directors play a key role in overseeing the Company's business operations. Realizing the important role of independent directors in supporting the policies useful for shareholders or objecting to the policies that affect Shareholders' interests, the Company provides channels for shareholders to give suggestions, express opinions, or file complaints to independent directors via email: www.info@apexpcl.com The independent directors are responsible for handling each matter appropriately, for example, investigating and seeking an appropriate solution. On the other hand, if there is a suggestion that is considered to affect the stakeholders or the business, the independent director will report it to the Board of Directors' meeting for consideration and include it on the agenda of the Shareholders' Meeting. In 2018, there were no comments or complaints from shareholders.

Preventing Misuse of Internal Information

The Company attaches significance to preventing the misuse of information that has not yet been disclosed to the public or confidential information that could have any impact on the Company's share price for one's own benefit or others. To that effect, the Company has established measures to prevent misuse of internal information (Insider Trading) in writing to provide guidelines for the concerned persons, namely, the Board of Directors, Apex top executives, and employees responsible for related functions as well as their spouses and children who are minors. They are as follows:

• *The Board of Directors, top executives, and employees responsible for related functions as well as their spouses and children who are minors are prohibited from trading Company shares prior to the release of the Company's quarterly and annual financial statements.*

The Company has made it imperative to review share trading of the concerned persons on a regular basis and to prevent employees involved with the preparation of the financial statements from disclosing the information to outsiders from the closing date of the financial statements to the public disclosure of the information.

Moreover, the concerned persons who have knowledge of confidential information that could impact the Company's share price are prohibited from trading the Company's shares until 24 hours after the public disclosure.

• *Directors and executives (Top Executives) as defined by SEC are required to make an initial reporting of their securities holding in the Company to the SEC within 30 days of the date on which they are appointed (Form 59-1). They are also required to report on any changes in securities holding as a result of the purchase, sale, transfer or acceptance of transfer of securities (Form 59-2) within 3 business days of the date of any changes.*

In addition, the Board of Directors will monitor to ensure compliance with such measures. It is stipulated that any changes in their shareholding be reported in the Board of Directors' meeting. The number of shares held by the directors and top executives both directly and indirectly as of the beginning and end of the year as well as those traded during the year shall be reported in the Annual Report.

In 2018, there were no insider trading cases concerning the director, top executives, and employees involved with internal information.

Preventing Conicts of Interests

The Company realizes the importance of managing the conflicts of interests of related persons, namely, the Board of Directors, Apex management committee, and employees in a prudent, fair, and transparent manner. As a consequence, the Board of Directors has established policies and measures regarding conflicts of interests as follows:

• *Directors, top executives, and their related persons must file a report with the Company stating their interests in the management of the Company or a subsidiary when they first take the office. They must also file a report should there be any changes in their interests and at every year end.*

The Company Secretary shall deliver a copy of such report to the Chairman and Chairman of the Audit Committee within 7 days upon the receipt of the report in compliance with the Securities and Exchange Act BE 2535 (1992) and to use such information for monitoring and preventing any conflict of interests.

• *The Company discloses its shareholder structure in subsidiaries, associates, jointly-controlled entities, and other companies as well as authorized directors to ensure that the Company has a clear and transparent shareholder structure. There is no cross-holding among major shareholders, thereby preventing any conflict of interests with any party.*

• *At a Board of Directors' meeting, any director or executive who may have a vested interest in any agenda item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.*

3. Role of Stakeholders Section

The Company has consistently adhered to its philosophy of ethical business conduct and corporate social responsibility as well as carried out its business to jointly create values with all stakeholders for mutual and sustainable benefits. This practice is overseen by the Board of Directors to ensure compliance with laws and regulations and adherence to Apex Corporate Governance Guidelines, and other relevant policies, as well as protection of such rights and stringent equitable treatment. Stakeholder engagement guidelines are summarized below;

3.1) Shareholders

The Company attaches enormous significance to the shareholders, who are the business owners. As a result, the Board of Directors, which represents shareholders, as well as the executives and employees are committed to carrying out business in line with the principles of good corporate governance and Apex business philosophy to ensure maximum benefits and long-term value for shareholders.

The Company respects the rights of its shareholders and recognizes its duty in ensuring equitable treatment of all shareholders as well as the fundamental rights stipulated by laws and Articles of Association of the Com-

pany such as the rights to attend the Annual General Meeting of Shareholders, propose agenda items in advance, elect directors, receive fair remunerations, and voice opinions on the Company's business conduct through independent directors, all of which will be compiled and presented to the Board of Directors for review.

3.2) Employees

The Company emphasizes on the value of employees as invaluable resources in driving the Company toward success. As a result, the Company is committed to caring and improving the quality of life of its employees to the best of its ability. To this end, the Company has consistently adhered to a number of operational guidelines taken into account cultural diversity and regional values, as well as complied with universally-accepted guidelines in the areas of human rights, labor, the environment and anti-corruption.

Knowledge and Competency Enhancement–To foster mutual sustainable growth of both the organization and employees, the Company has promoted the enhancement of its employees' knowledge and competency on business, leadership & co-working, and professional area, a strong generation-to-generation transferable of the organizational culture, and the development of leaders with competency, integrity, and ethics at every level, all of which will help lead Apex to achieve its business goals.

Employee Remuneration and Benefits–The Company has put in place appropriate remunerations policies for employees on all level. In the short term, remunerations are made in line with the Company's annual financial performance and the remuneration of other companies in the same industry, the data of which is garnered through surveys of wages and remunerations of employees on all levels with external institutes. In addition, the Consumer Price Index from a governmental agency is also regularly taken into account in adjusting the wages and remunerations. In the long term, an employee performance and potential assessment is clearly prescribed. The Company gives commensurate remunerations to employees with high competence and provides career growth in correspondence with the Company's succession plan. In addition to remuneration, the Company also provides appropriate employee benefits in a number of areas.

Furthermore, the Company has also established provident funds, registered as a juristic person with the Ministry of Finance under the Provident Fund Act B.E. 2530, for Apex employees. Employees who are members are to deposit monthly contributions to the fund at 3 percent of the members' basic salaries, and the Company makes monthly contributions to the fund at 3 percent of the members' basic salaries.

Environment, Health, and Safety–The Company is committed to promoting employee's environment, health, and safety as well as cultivating a consciousness in its employees and relevant personnel to adhere to Apex Code of Conduct in these areas through regular training and informative sessions. In addition, the Company also attaches great significance to compliance with standard guidelines and measures for international-level efficiency in terms of environment conservation.

As for employee health and safety, the Company has always recognized its importance and considered it another risk of the Company. As a result, the Company has consistently carried out measures in this regard ranging from including it in Apex Code of Conduct, formulating an occupational health and safety policy, promoting an appropriate occupational health, in each operational unit, in the hope of fostering a safety culture.

3.3) Customer

The Company is committed to continuously creating innovations to offer products and services that meet true needs of its customers in terms of both quality and fair prices. Apex products and services must be safe as per international safety standards and environmentally-friendly, as well as promotes sustainable to ensure customer confidence and highest satisfaction. To this end, Apex has established a unit responsible for customer relations management to offer suggestions on the Company's products and services; provide counsel regarding troubleshooting and after-sales services, and handle complaints when problems arise. Suggestions are then used to inform future operation plans to enhance operation efficiency.

Furthermore, the Company has put in place a management system to foster good customer relations. As such, customer satisfaction is surveyed on a yearly basis to gauge the expectation and satisfaction level

of customers for the customer feedback process, resulting in a central database of customer information to facilitate sales and service providing. Also invented is a customer consumption behavior analysis system in order to learn customers' needs and create long-term satisfaction for customers.

3.4) Suppliers / Business Partners

The Company adheres to a framework of fair and transparent trade competition and strictly complies with the trading terms and conditions agreed upon, Code of Conduct, and pledges given to its suppliers. To this effect, the Company determines appropriate and fair sale prices, taking into account the reasonableness, the quality, and the entailed services. In addition, regulations regarding procurement and operations are clearly established. These include refraining from demanding or accepting benefits from suppliers, supporting environmentally-friendly procurement, avoiding purchasing products from suppliers that violate human rights or intellectual property law as well as dealing business with suppliers that carry out illegal acts. This is in order to ensure ethical business conduct and responsibility toward society and the environment. The Company also refuses to conduct business with a person or a juristic person who violates the law or demonstrates behavior involving corruption. The policy is published on the Company's website.

3.5) Joint Venture Partners

The Company respects the rights of joint venture partners, treats every partner equitably and fairly, and does not exploit partners. The Company also collaborates with joint venture partners to promote, support, and strengthen the operation of joint ventures; encourage exchange of opinions and suggestions; formulate business plans; determine an appropriate and allocation of interest and monitor and drive the operation of the joint ventures to be in accordance with the laws and sustainable development guidelines, in order for the joint ventures to achieve the shared goals.

3.6) Communities

The Company carries out its business with concern for fairness for every stakeholder and is committed to socially-responsible business conduct. As a result, Apex has supported activities that improve the quality of life and benefit the communities. In addition, the Company also cultivates and promotes in its employees and related operators a consciousness of a good and responsible citizen who strives for the betterment of the communities and society.

Furthermore, communities and every stakeholder are also encouraged to participate in activities or projects held by Apex as well as provide suggestions or lodge complaints about any impact from the Company's operations, so that the industry and communities can co-exist sustainably such as awarding scholarships to children of employees and the community, project on the wastewater treatment plant in the factory before water being released into the public canal, project on dredge up mud for drainage.

3.7) Government Agencies

The Company attaches significance to government agencies as one of the Company's stakeholders and has clearly defined guidelines for engaging in transactions with government agencies in Code of Conduct and Apex Anti-corruption Policy. Furthermore, the Company ensures strict compliance with relevant laws and regulations despite varying conditions, procedures, or practices in each locality. In addition to refusing to engage in an act that could provide an incentive for officers in government agencies to commit an inappropriate or unlawful deed, the Company also cooperates with government agencies in providing academic assistance or support for various activities and is open to comments, suggestions, and complaints from government agencies.

3.8) Media

The Company stresses the importance of disclosing information to the media, so they can communicate the information to the public with accuracy and in a timely fashion. To create continuous participation and good relations with the media, a number of activities have thus been held such as site and plants visits, CSR activities, opinion exchange sessions, activities catering to the interest of the media, regular media visits. The Company has also supported academic and CSR activities of the media as well.

3.9) Competitors

The Company has a policy to treat competitors fairly under an honest competition framework. The Company is committed to carrying out business fairly

in compliance with the law and Apex Code of Conduct and with concern for trade ethics and transparency. The Company also refuses to gain an unfair advantage over its competitors through unlawful activities, seek confidential information through unethical or inappropriate means, engage in any action that violates competitors' intellectual properties rights, and destroying competitors' reputations with defamatory. In addition, the Company supports and promotes free trade.

3.10) Civil Society Sector, Academia, and Opinion Leaders

The Company conducts business with concern for social responsibility and all stakeholders. In addition to full, accurate, transparent, verifiable disclosure of information, the Company recognizes the importance of comments and suggestions from the civil society sector, which reflect issues that the Company can improve to create values and benefit for society by focusing on the care and the creation of value for society and communities as well as strive to extent to the industry in order to create a shared business practice for sustainability.

Contacts for Stakeholders

The Company has opened up opportunities for stakeholders to offer suggestions, which will then be compiled, screened, and reported to the Company's top executives and the Board of Directors, through the following channels:

Apex Development Public Company Limited, address No. 10/53-56 , 2nd Floor The Trendy Building, Sukhumvit 13 (SangChan) Alley, Klongtoey Nua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91 Email : info@apexpcl.com

In addition, the Company has also provided channels through which employees and external stakeholders can contact, offer opinions, lodge complaints, and report violation cases, namely the Helping Line (Opinion Box) and www.apexpcl.com (for other stakeholders) for further actions to be taken. The procedures are as follows:

• Employees or stakeholders file reports via the designated channels. The information provided is considered confidential and revealed only as necessary. The Company has also put in place informant/complaint lodger protection measures, and the investigation does not require the revelation of the informant's identity or the information source. In addition, informants can demand appropriate protection measures or the Company might implement extra protection measures without having received any demand informants if the issue can potentially cause damage or dangers.

• *Delegates receive complaints, verify the validity, and conduct a preliminary investigation with meticulousness to reach a conclusion within 30 days. Progress reports are also made to the informants if their identities are identified.*

• *In the event that a violation is proven, an investigation committee will be formed to pass judgment and determine the punishment. Then, the corruption or complaint will be reported to the Audit Committee and the Board of Directors.*

• *Should stakeholders desire to contact the Board of Directors directly without going through the management in order to report cases of rights violation, corruption, non-compliance with laws or ethical practices which might be related to an executive, they can file reports to the Company's Board of Directors via independent directors at Email: butsakorn.ng@apexpcl.com*

4. Disclosure and Transparency Section

The Company recognizes the importance of information disclosure because it greatly affects decision-making by investors and stakeholders. It is necessary, therefore, to define and administer measures concerning the disclosure of information, both financial and non-financial. Information disclosed via the SET Portal of the Stock Exchange of Thailand and Apex's website shall be complete, sufficient, transparent, reliable and up-to-date, written in both Thai and English.

Furthermore, the Board of Director is committed to adhering to Apex's guidelines for disclosure of relevant information to systematize the Company's practice of disclosure, prevent potential damage that results from inappropriate disclosure, and ensure shareholders, investors, the public, and stakeholders that the Company's disclosure is accurate, clear, compliant with the law, and equitable. To this effect, the Company has defined parties entitled to disclosing key information not yet publically disclosed, established guidelines for the disclosure of various types of information to the public, and designated a period before general public disclosure in which extra caution must be exercised.

The Company is committed to obeying the law, and the regulations and obligations mandated by the Securities and Exchange Commission (SEC), the SET and relevant government agencies. Regular amendment takes place to ensure that the Company is up-to-date in its adherence to laws, regulations and obligations, and to guarantee The Company's transparency in conducting business. For example, the Company:

1. Compile reports as required by laws related to directors and chief executives and submit such reports to the Securities and Exchange Commission, which include:

1.1 Report of the holding of the company's securities upon the first appointment as the company's director or executive (Form 59-1) within 30 days of the date of appointment.

1.2 Report of change in holding upon every purchase, sale, transfer or acceptance of transfer of thecompany's securities (Form 59-2), within 3 days from the date of such change.

1.3 Disclosure of names of the directors and executive of the company that issues the securities (Form 35E-1), within 7 business days from the date of appointment.

2. Establish a policy that requires the Company's directors and executives to report their own interests, and those of any related persons, which are vested interests relating to the management of the Company or its subsidiaries. The criteria and reporting procedures are as follows:

• *Report when first taking office as a director or executive.*

• *Report every time there is a change in director's or executive's vested interests.*

• *Report at every-year-end.*

• *In the event that a director retires by rotation and is re-elected, he is not required to submit another report if there is no change to his stakes.*

• *Directors and executives must submit their Reports on Interests via the company's secretary, who submits copies to the chair of the Board of Directors and the chair of the Internal Audit Committee within 7 working days upon receiving the reports.*

3. In 2018, the Board of Directors established a policy requiring all the directors to disclose/report their securities trading to the Board of Directors' meeting and the ordinary shareholdings of their spouse and minor children, to the Board of Directors' meeting for acknowledgement.

4. Prepare a report on the Board's responsibility for financial statements and present it along with the Audit Committee's report in the Annual Report.

5. Disclose accurate, complete and timely financial information and non-financial information.

6. Publish Notice of Annual General Meeting of Shareholders and Annual Report within 120 days after each financial year-end.

7. Publish minutes of the latest Annual General Meeting of Shareholders on the Company's website.

8. Disclose the roles and responsibilities of the Board of Directors and Sub-committee, the number of meetings held, and the number of meetings that each individual director and Sub-committee member attended.

9. Disclose the date of the director's appointment in the Company's annual report.

10. Disclose the Board member selection process and the Board's performance assessment.

11. Disclose the policy on the remuneration of directors and top executives, including forms, types and amount of remuneration for each committee member.

12. Disclose details of each individual director's attendance of courses offered by the Thai Institute of Directors Association (IOD).

13. Disclose detailed information on the operations and investment structure of subsidiaries and associate companies.

14. Disclose the audit fee and other fees in the Company's annual report.

15. Disclose the Company's Memorandum of Association and Articles of Association on the Company's website.

16. Disclose the charter of the Audit Committee and Governance.

17. Disclosure of good corporate governance policy.

18. Disclosure of audit and internal control policy.

19. Disclosure of risk management policy.

20. Disclosure of anti-corruption policy.

21. Reveal significant investment projects and relevant impacts of the projects via the SET Portal of

the Stock Exchange of Thailand and Apex website to ensure that shareholders, investors, the press, and related parties are kept informed of information accurately, extensively, and transparently.

The Company's Information Distribution Channels

The Company places great importance upon transparency and full disclosure of significant financial, operational, and other relevant information, so that it is accurate, complete, and timely. In addition to fulfilling legal and SET reporting requirements, the Company has established its own broad infrastructure of dissemination channels to reach interested parties. These communications channels include:

1. The Investor Relations Department, which is responsible for direct communication with both local and international investors.

2. Activities to disseminate policy and operational guidelines to employees. Systematic distribution to the media of press releases, photo captions, news stories, advertisements, and social media such as New Stock, Newspaper, Inside Stock ,Bangkok Post Newspaper, Bangkok Business, Post Today .

3. Publications and media, such as annual reports and news public relations of project for development other in especially issue Newsletter.

4. Disclose the information through website: " www.apexpcl.com", social media and QR Code .

The Investor Relations Department

The Investor Relations Department of Apex is responsible for communications with institutional investors, retail investors, shareholders, analysts and relevant government bodies on an equal and fair basis. Should the shareholders require additional information, they can contact the Investor Relations Department directly as follows:

Company Secretary Email : virat.l@apexpcl.com
Investor Relations Email : prattana.ng@apexpcl.com
and butsakorn.ng@apexpcl.com

5. Responsibilities of the Board of Directors Section

Board of Directors' Structure

The company requires independent directors account for at least one third of all directors, or at least 3 . At present, the company's board of directors consists of 9 experienced, knowledgeable and capable directors as follows :

- Executive Director 3 persons
- Non- Executive Director 6 persons
- Independent Director 5 persons

Much emphasis is placed on the opinions of the independent directors. In any issue that draws any suggestions or disagreement from independent directors will be reviewed for transparency.

The Board abides by the minimum requirements of the SEC and SET in formulating independent directors criteria.

1. They must hold no more than 1% of all voting shares in the company, subsidiaries, affiliates, or in the companies which are major shareholders or have controlling power over the company. The shareholding includes that of those related to the particular independent director.

2. They must not have been or are not involved in the management, or employees, wage earners, or advisors on the payroll, or controlling persons of the company, its subsidiaries, affiliates, or equivalent companies, or juristic persons now and at least 2 years before their appointment as independent directors. Former civil servants for advisors of government agencies which are major shareholders or controlling persons are not included.

3. They are not related by blood or registration as parents, spouses, siblings, or children, spouses of any of the children to members of the management, major shareholders, those exercising control, or those about to be nominated as members of the management or controlling entities over the company or subsidiaries.

4. Have absolutely no vested interests in the company, its subsidiaries, affiliates, or major shareholders, or controlling entities of the company, which could obstruct their independent judgment. They are not either a significant shareholder or a controlling shareholder who has business relationship with the company, subsidiaries, affiliates now and at least 2 years before their appointment.

5. They do not serve as the auditor of the company, subsidiaries, affiliates, the parent company, or controlling entities, or a significant shareholder (with over 10 per cent of voting shares including connected per-

sons)of the company, controlling entities, or a partner of the audit firm of which auditors

perform their jobs on the company, subsidiaries, affiliates, the parent companies or controlling entities at least 2 years before their appointment

6. They do not serve as a professional service provider, including legal or financial services of which fees more than 2 million baht per year are levied on the company, subsidiaries, affiliates, the parent company, or controlling entities, or a significant shareholder or a partner of the professional service provider at least 2 years before their appointment.

7. They are not appointed to represent the directors of the company, major shareholders, or shareholders who are related to major shareholders.

8. They do not operate a company with the similar nature to and significant competition with the company, subsidiaries or affiliates, or hold a significant ownership in a partnership or act as a director with management power, employees, wage earners and advisor on payroll, or hold over 1% of voting shares of other companies which operate in the same industry or present significant competition against the company or subsidiaries.

9. Have no other characteristics that could bar the expression of their free views on the company's operations.

The company's management structure consists of the Board of Directors , five sub committees reporting to the Board of Directors – the Audit Committee, the Nomination Committee, the Remuneration and Human Resource Committee , the Risk Management Committee and the Executive Committee.

Responsibilities of the Board of Directors

The Board consists of knowledgeable, capable, skilled and experienced persons who realize their roles and responsibilities, which resulted in efficient operations. The Board takes part in formulating the vision, mission, strategies, goals, business plans and resource allocation, to ensure the management's efficient and effective implementation.

The Board values good corporate governance, to enhance transparency and the company's competitiveness. To instill trust among shareholders, investors and all stakeholders, there is the written corporate governance policy which is reviewed once a year to fit the environment, business direction and international standards.

To prevent conflicts of interest or connected transactions, the Board assigned sub-committees with clear segregation of roles. There are policies, code of practices and the procedure to approve transactions which might carry conflict of interest, as guidelines to executives, employees and relevant parties, Such cover the criteria in endorsing connected transactions, the use of inside information and information disclosure. The Board also demands the management to regularly assess business risks and formulate risk preventing and mitigation measures, and report them to the Board These include the risks that may affect the company's performance, as specified in item "Risk Factors"

Board Meetings

The Board holds quarterly meetings, aside from extra meetings as necessary, with clear and prepared agenda, to review the quarterly results as well as monitor progress. The chairman and CEO will jointly review the issues, before bringing them up to the Board's meetings. Each director is allowed to propose their own agenda.

In each meeting, the chairman allocates sufficient and ample time for discussion. Meeting minutes are written and the minutes, approved by the Board, are stored for inspection by the Board and relevant parties. The minutes of the board of directors and sub-committees are in "Management Structure" and "Sub-committees"

Board of Directors' self assessment

Executive directors conduct at least once a year on a yearly basis of evaluation to assess performance in part of their responsibility and the performance evaluation is presented to the company's Board of Directors to compare with performance in the past.

Remuneration

The company has appointed the Nominating and Remuneration to consider remuneration principles and policies for managing director, directors and advisors and determine bonus, salary adjustment annually and during the year, and other benefits to staff in each level. Remuneration determination is based on

experience, duty and scope of responsibility, and compare with other companies in the same industry.

Directors and Management improvement

The company is aware of the importance of human resources for the company's directors, they participated in trainings held by Thai Institute of Director and aimed to develop and support directors to take practices of good corporate governance in organization.

Separation of the Roles of the Board of Directors and the Management

The Company defines clear roles and responsibilities regarding the Board of Directors and the management. The Board shall be responsible for establishing the policies and overseeing the management's implementation of those policies. The management, on the other hand, shall be responsible for implementing the policies formulated by the Board, and ensuring that these are carried out as planned. The Management is authorized to manage the Company's operations in accordance with the policies set by the Board ; take responsibility for the Company's operating results; control expenses and capital expenditures within the limits approved by the Board in the annual operating plan; mange human resources in line with the prescribed policy; resolve problems or conflicts that affect the Company; and maintain effective communication with the stake-holders.

Corporate Social Responsibilities : CSR

Company Policy on CSR

Apex Development Public Company Limited and its subsidiaries hold CSR as the main policy in business in 2018 as defined in our vision "Apex endeavors to create more value (Enhancing Value) in property development projects with the philosophy of creating good rental return on short and long-term investment for our investor-buyers that have purchased condominium or residences from the company, and build good appreciation in value (Property Value) in the long–term for the property on a continuous basis. At the same time, we endeavor to create a solid foundation of profitability and good share value for our investors as a whole."

The company defined its CSR policy as

"Apex Development Public Company limited, Apex strives to be the leader in high quality property development with innovative thinking and creativity. Operation of business with good corporate governance and support the growth of Thailand's economy to prosper on a continuous basis."

We instill and encourage employees to be responsible to society. The objective of our CSR is to build business and society for sustainable growth.

The Importance of Responsibilities on Business and Social

the Company has emphasized the important to these issues in operating the business such as :

Ethical Business Operation: The Company has set the policy to promote the free trading competition, not applying monopoly power, and not supporting the operation with characteristics in violating intellectual property and infringing a copyright. Besides, there is support for trading partner with social responsibility such as not using child labor or using illegal labor etc.

Anti-Corruption: The Company has set the policy to counter corruption by having adequate audit and preventive system including performing business operation with ethic. The transaction that might cause the conflict of interest will be disclosed.

Anti-Corruption Policy

Apex determined to conduct its business by striving regard to social responsibility and the best interests of its stakeholders in alignment with the principle of corporate governance including policy and guideline to every group related stakeholders of Apex in order to corroborate the company's standpoint and emphasize on every anti-corruption case.

Anti-Corruption Definition:

Corruption means any types of bribery such as an offer, promise, guarantee, inquire or acquisition on money, asset, or other inappropriate benefits from the government officers, government sectors, private sectors, or responsible person either in direct or indirect action. Exception shall be applied in case of laws, regulation, statement, standard, custom, or business traditions enable to do so.

Anti-Corruption Policy

Directors, Management Team, and Apex staffs are prohibited from operating or accepting every type of corruption both in direct or indirect manner. Moreover, the Anti-Corruption Policy is needed to be reviewed regularly.

Roles and Responsibilities

1. The Board of Directors is responsible for determining the policy, monitoring, and forming an effective system supporting Anti-Corruption act; and cultivates Anti-Corruption mindset as the company's culture.

2. The Audit Committee is responsible for revision of financial and accounting reports, internal control, internal audit function, and risk management so that such operations are effective.

3. Apex top executives and the management are responsible for determining Anti-Corruption system, promoting, and encouraging Anti-Corruption manner conveyed to all staff and related parties including reviewing the appropriation of system or regulation.

Anti-Corruption Guidelines

1. The Board of Directors, the management team, and Apex staff in every level must follow with Anti-Corruption Policy by avoiding involving with any course of corruption by direct or indirect manner.

2. Apex staff shall not be negligent when he and/or she encounter or witness any corruption conditions. All staff must notify such act to supervisors or responsible person, including collaborate with investigation.

3. Apex shall provide fairness and safeguard for staff that denies or informs corruption.

4. A person who commits the corruption shall be disciplined according to the specified regulations. conviction on laws shall be applied in case such act violates the laws.

5. Apex strives to instill its staff by realizing that corruption is unacceptable in every business transaction dealing with both public and private sectors.

Provision in Implementation

To stress the attention on processes which incur a high risk in corruption, the Board of Directors, the management team, and the Apex staff in every level must conform carefully in the following courses of action.

1) Offering gifts or entertainment and hospitality activities must be for commercial purpose only.

2) Granting contribution or receiving the aid must be assured that such transaction shall not be claimed as a bribery act.

3) Business relation and procurement process with the public sector; all types of bribery or illegal payments are prohibited in all business transactions, and connections to the government. Such implementation must be proceeded transparently and in alignment with related laws and regulation.

In case that there is any complaint, complainer shall make a verbal complaint or by sending complained letter to supervisors or upper level management. The complainer shall receive fully safeguard with fairness. As the result the company shall set up the fact finding committee to investigate such matter. The other alternative is to report such complaint on the company website www.apexpcl.com column: Contact Us. For the past year, no complaint has been reported.

Respect on Human Right: The Company has set the policy that will not involve in violating the human right, no forced labor and anti-using child labor. On policy level and practical guideline, there is no discrimination on employment against gender, race, and religious etc.

Fair treatment to Labor: The Company has set up Personnel Administration Committee by the meeting has been taken place regularly as to encourage the workers participation and to be the channel for making better understanding between the Company and its workers.

On welfare: Besides wage, salary, allowance, bonus and overtime the Company has provided its employees with provident fund name "Provident Fund" with Krungsri Asset Management acts as fund manager. The employees who are fund members have to contribute counterpart funds by letting the Company to deduct from wage at rate of 3 percent of wage. In the meantime, the employer has to make the counterpart fund in the same day that fund member make the counterpart fund at the rate of 3 percent of wage too.

Consumer responsibilities: the Company has set the policy to create project and services that are worthy to society and environment with the acceptance of International Standard by many project are continuously developed to serve the consumer satisfaction. The corrected and appropriated information of project and services : It has to be disseminated to consumers with details and problem solving for customer when

quality problems arise. But no complaint has been reported about the impact or any hazard from using the services by operate follow up EIA report to support all project of company.

Customer rights protection: the Company has set the policy to keep the information of customer privately and training its employees to better understand the rights of customer private. Fair marketing: the Company has carried on fair marketing practice with no exaggerated advertisement or unethical action.

The company has adjusted the vision of the organization to have responsibilities towards the society.

Besides profit which is the main purpose of all companies, and the responsibilities to all part of the society, it is not specific to any individual .Another important point is to build the right knowledge and understanding of CSR

For all employees in the organization. CSR should not be a nice word or activities for marketing promotion for company image by only giving donation. It should be a real project to create pro per CSR activities in the future.

Internal Audit

The assessment of the company's internal control system shall be summarized in various key elements as follows.

The company realizes the importance of internal control system by assigned internal independent unit, which is the Dharmniti Internal Audit Company Limited to be internal auditor of the company, in order to emphasize having adequate and proper internal audit and control systems for its business and to prevent possible damages and impacts on the company. The assessment of the company's internal control system focuses on various key elements such as organization and environment, risk management, control of work effectiveness of administrative department, management information systems and communications, and follow-up and monitoring activities etc.

The company has specified that the result of the assessment of internal control system for the year 2018 be reported directly to the Audit Committee on a regular basis. If the Audit Committee has the opinion concerning the company's internal control system, the auditor shall propose the guidelines to solve the problems, and set up regulation in various working units to continuously monitor the impact of problems including risk prevention and anti-corruption that might cause the company the loss of benefits. No problems are found from assessment report including any significant deficiencies. Moreover, the company recognizes the importance of various suggestions and remarks in order to improve the international control system that is suitable and sufficient to work efficiently and effectively.

Thus, various key elements of internal control and audit system of the company can be summarized as follows;

1 Control environment

To consider the adequacy of the internal control system, the operation control of various matters according to terms and conditions, and the company's policy as required by Notification of the Securities and Exchange Commission and the Stock Exchange of Thailand as follows:

- To consider the company's organization and working system that support good internal control;
- To set an operational plan and budget to be used as guideline for practice of internal audit and control working unit;
- To select a capable and recognized auditor; and
- To support personnel development program that convinces staff members of the importance of internal audit and control.

2 Risk assessments

To consider the internal and external factors that might prevent the company from achieving the main goal of organization by making 3 types of risk assessment which are as follows:

- Operational risks
- Financial risks
- Compliance risks

This shall lead to the audit plan and control activities that are according to the assessed risk level.

3 Control activities

To set internal audit and control standard by taking into consideration the following:

- To divide role and duty to create balancing in the business operations among units and staff members at all levels;

• To approve and/or authorize for taking action in various transactions according to the rules and regulations of the company;

• To supervise assets by covering transaction record of both acquisition and disposal of assets including the exploitation of the company's assets; and

• To review by making verification and checking reconciliation.

4 Information system and communication

To review information system and communication to ensure the following factors:

• To have an adequate communications throughout the organization, by covering communications between executives and staff members; among working units, and among staff members; including among other outside persons of the company.

• To have accurate and adequate information to support the decision making of the company

• To have clear communications.

5 Monitoring

The audit committee requires in having the monitoring system to ensure that business is regularly operated in accordance with working processes and procedures. The said processes and procedures are set to improve and to be in line with the current situation, so the update is required to prevent risk of the organization. Moreover, monitoring must be performed by the independent unit that is not related to the monitored operational units.

Audit Committee Report

The Audit Committee of Apex Development Public Company Limited ("Apex"), whose mission is scheduled for three years each term, comprises of four independent committees as follows;

Mr. Padoongpun	Jantaro	Chairman of Audit Committee
Mr. Chalit	Sathitthong	Member of Audit Committee
Mr. Siripong	Silpakul	Member of Audit Committee
Mr. Chatchawan	Triamvicharnkul	Member of Audit Committee

The Audit Committee shall perform the duties independently as assigned by the Board of Directors in order to assist the company by reviewing to ensure the company with good and adequate corporate governance.

In the 2018 fiscal year, being assigned by the Company's Board of Directors, the Audit Committee fully completed their tasks and responsibilities, as specified on the Audit Committee's Charter, complying well with benevolent regulations and principles of the Auditing Committee that are stipulated in the Notice of Stock Exchange of Thailand. During this period, the Audit Committee held a total of 4 meetings of which the essence can be summarized as follows;

1. Reviewed the company's financial statement, the Audit Committee reviewed significant information in the quarterly and annual financial statements of the company for the year 2018 by working together with the Administration Division and the company's auditors. The Auditing Committee is of the opinion that the company's financial statement has been prepared on the basis of Thai General Accepted Accounting Principles, where accounting policies were appropriately applied with regularly conducts through attentive consideration and the most accurate forecast in preparation. In addition, crucial information was adequately disclosed in the appendix of the financial statement, being beneficial to the decision making of the company's financial statement users. Therefore, the Audit Committee approved the said financial statements that were reviewed and audited by the company's auditor without reservation.

2. Scrutinized the company's operations by strictly complied with the laws on securities and stock exchange laws of the Stock Exchange of Thailand as well as the other laws relating to the company's business operations. The Audit Committee reviewed compliance with code of conduct and corporate governance and revealed that directors and employees strictly followed prescribed principles. The Board of Directors consistently and continuously instilled a series of ethics and morality into every level of employees. This year, the company continues to conduct its business in line with the principles of sustainable development and corporate governance by compiled the "Anti-Corruption Policy" into a formal written document.

3. Considered and reviewed the connected transactions or transactions that may lead to conflicts of interest between the company, affiliated companies, related persons, and related businesses to ensure that

these transactions were completely correct. The Auditing Committee was of the opinion that such transactions were conducted in a reasonable manner by taking into account the benefits of shareholders. All in all, the disclosure of such connected transactions is accurate, unabridged, and sufficient.

4. Reviewed and ensured the company has an appropriate internal control system and well adequate governance to affirm that the company's activities achieve the purpose and goals of the company. The Auditing Committee has the opinion that the company has currently assigned the external independent auditors to conduct internal audit and control, of which the results have been directly reported to the Auditing Committee in a frequent and continual manner for at least four times a year. In doing so, it is rationally affirmed that the company applies decent and sufficient internal control systems to detect its weaknesses as well as to prevent it from any malpractice or prominent anomalies.

5. In compliance with the regulations of the Securities Exchange Commission (SEC) stated that listed company shall set the auditor rotation every 5 years. The company can appoint new auditor that belongs to the same accounting office with the existing auditor and auditor(s) who retired from duty as auditor by rotation at least 2 fiscal years. To be in line with the Company's business expansion, the Audit Committee has considered and proposed the appointment of the current auditor; as PricewaterhouseCoopers ABAS Co.,Ltd. (PwC) as the Company's auditors and fix remuneration for the year 2019 with the names of auditors and CPA license numbers as Mrs. Anuthai Phumsurasakul C.P.A. (Thailand) No.3873 or Mr. Boonlert Kamolchanokkul C.P.A.(Thailand) No.5339 or Mr. Vichien Khingmontri C.P.A. (Thailand) No.3977 .

6. Reviewed corporate governance policy and the company's code of conduct to meet the international standard and is appropriate to the company' s business operation.

In capacity of Audit Committee

P. JANTARO .

(Mr. Padoongpun Jantaro)
Chairman, Audit Committee

Related Parties Transactions

As at 31 December 2018, the majority of the Company's shares are held by Sampawakoop family by 33.71% (2017 : 32.71%) of the Company's authorised share capital. The significant investments in subsidiaries are set out in Note 17.

The relationships between the Company and related parties are as follows:

Individual/Related company's name	Relationship with the Company
Apex Asset Co., Ltd.	Common directors and direct shareholding
Grand Bay Hotel Co., Ltd.	Common directors and direct shareholding
Andaman Hotel Co., Ltd.	Common directors and direct shareholding
Long Beach Hotel Co., Ltd.	Common directors and direct shareholding
Spinnaker Holdings Co., Ltd.	Common directors and holding by majority shareholder
Thai Seri Property Co., Ltd.	Common directors and holding by majority shareholder
P.S.M. Development Co., Ltd.	Common directors and holding by majority shareholder
Kor Mountain Agricultural Development Co., Ltd.	Common directors and holding by majority shareholder
Open Construction Co, Ltd.	Common directors and shareholders
Grande Asset Development Co., Ltd.	Common directors and shareholders
The Management of Silom Plaza Building Co., Ltd.	Common directors and shareholders
P.S.M. Development Limited	Common directors and shareholders
Grand Pacific Hotel Ltd.	Common directors and shareholders
Thanwarin Property Co., Ltd.	Common directors and shareholders
Narai Holding Asset Manager Corporation Co., Ltd.	Common directors and shareholders
Liana Co., Ltd.	Common directors and shareholders
Vana Nava Co., Ltd.	Common directors and shareholders
Worldwide Asset Development Co., Ltd.	Common directors and shareholders
Silom Shopping Plaza Co., Ltd.	Common directors and shareholders
Sukhumvit Shopping Plaza Co., Ltd.	Common directors and shareholders
Stamford Business Administration Co., Ltd.	Common directors and shareholders
Island Lagoon Holdings Co., Ltd.	Common directors and shareholders
Brooker Group Plc.	Relationship by shareholder

Investments in subsidiaries

Investments in subsidiaries as at 31 December 2018 and 2017 comprise the following:

Subsidiaries	Nature of business incorporation	Country of incorporation	2018 % Ownership interest	2018 % Voting power	2018 Paid-up capital (Baht)	2018 Cost method (Baht)
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	100	100	465,800,000	465,799,700
Apex Asset Co., Ltd.	Real estate	Thailand	100	100	1,000,000	999,500
Andaman Hotel Co., Ltd.	Real estate	Thailand	100	100	1,250,000	1,249,925
Long Beach Hotel Co., Ltd.	Real estate	Thailand	100	100	1,250,000	1,249,925
						469,299,050

Subsidiaries	Nature of business incorporation	Country of incorporation	2017 % Ownership interest	2017 % Voting power	2017 Paid-up capital (Baht)	2017 Cost method (Baht)
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	100	100	449,080,500	449,080,200
Apex Asset Co., Ltd.	Real estate	Thailand	100	100	1,000,000	999,500
						450,079,750

The movements of investment in subsidiaries for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
ยอดคงเหลือต้นปี	-	-	450,079,700	20,999,100
เพิ่มขึ้นระหว่างปี	-	-	19,219,350	429,080,600
จำหน่ายระหว่างปี	-	-	-	-
ยอดคงเหลือสิ้นปี	-	-	469,299,050	450,079,700

During 2018, Grand Bay Hotel Co., Ltd., the Company's subsidiary, received remaining paid-up shares at Baht 6.69 per share from increase the authorised share capital totaling 2,500,000 ordinary shares, totaling Baht 16.72 million.

At the Board of Directors' meeting no. 11/2018 held on 26 September 2018, it passed a resolution to establish 2 new subsidiaries which are Andaman Hotel Co., Ltd. and Long Beach Hotel Co., Ltd. , each has Baht 5 million registered capital, comprising of 50,000 ordinary shares, with a par value of Baht 100 per share. The principal of business operations of these new subsidiaries is to support the project operation in Krabi, both companies registered new company with the Ministry of Commerce on 8 October 2018. The 2 new subsidiaries

received paid-up for 50,000 ordinary shares at Baht 25 per share totaling Baht 1.25 million in November and December 2018.

During the years, the Group has business transactions with its subsidiaries and related parties. Such transactions, which have been concluded on the terms and basis as determined by the Company and those companies and are in the normal course of business, are summarised below:

Significant transactions

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Purchase of land				
Grand Bay Hotel Co., Ltd.	-	-	-	20,187,500
Revenue from right to hold the land				
Apex Asset Co., Ltd.	-	-	-	4,400
Interest income				
Grand Bay Hotel Co., Ltd.	-	-	-	17,407,046
Interest expenses				
Related parties (Shareholders/directors)	2,171,174	2,944,528	2,171,174	2,944,528

During 2017, the Company purchased land from a related party, purchase price is agreed by both parties.
During 2017, interest income is charged to related parties at the rate of MLR+1.5% per annum.
During 2018, interest expense is paid to related parties at the rate of 2.5% - 4.0% per annum (2017 : 2.5% per annum).

Outstanding balances

	Consolidated financial statements		Separate financial statements	
	พ.ศ. 2561 บาท	พ.ศ. 2560 บาท	พ.ศ. 2561 บาท	พ.ศ. 2560 บาท
Other account receivable				
Subsidiaries - Grand Bay Hotel Co., Ltd. (Note 11)	-	-	-	8,649,603
Advance payments				
Subsidiaries – Long Beach Hotel Co., Ltd. (Note 11)	-	-	2,760,000	-
Deposits and advances received from customers	-	5,517,654	-	5,517,654
Related parties (Directors)				
Accrued interest expenses				
Related parties (Shareholders/directors) (Note 25)	231,825	750,411	231,825	750,411

Short-term borrowings from related parties

Short-term borrowings from related parties as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Related parties (Shareholders/ directors) (Note 26)	75,000,000	9,000,000	75,000,000	9,000,000
	75,000,000	9,000,000	75,000,000	9,000,000

As at 31 December 2018 and 2017, borrowings from related parties have the following conditions:

		Interest rate per annum (%)		
Short-term borrowings from	Terms of payment	2018	2017	Collateral
Shareholders/director	At call	2.5 – 4.0	2.5	-

The movements of short-term borrowings from related parties for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	9,000,000	193,926,897	9,000,000	193,926,897
Add Addition	127,500,000	3,000,000	127,500,000	3,000,000
Less Repayments	(61,500,000)	(187,926,897)	(61,500,000)	(187,926,897)
As at 31 December	75,000,000	9,000,000	75,000,000	9,000,000

short-term loans to related parties

The movements of short-term loans to related parties for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Grand Bay Hotel Co., Ltd.		-	-	
As at 1 January	-			384,675,000
Add Addition	-	-	-	10,905,500
Less Repayments	-	-	-	(395,580,500)
As at 31 December	-	-	-	-

Policies of the Connected Transaction

The Company has the policies of the transactions that comply the regulations in the normal business of the company and have actions as the rules with the policies of reasonable prices and as the condition on the price reference and the reasonable condition of the markets by the approval of the clear and justice consideration as the related regulation. The transaction in the future must be examined by the committee of the audit and/or the Boarding of the Directors about the reasonable always, inspect the prices and any other conditions, accotding to the regulations, to be normal situation or not. And the Executive Officer who has the benefit will not be in part of the transaction. And after in SET, the Boarding of Directors will take care of the company to comply with the regulation of SET, the notice and the rules of SET and of the committee of the capital market, to practice to overt the information of the transaction and the profit of the company of branches and to follow the accountion standard by the audit.

In case of the Company or the subsidiary has the transaction between person which has the controversy as above, the Company will present the audit to have the consideration and comment on necessary, reasonable and proper transaction. And in the case that the audit is not the professional, the company will send to the professional person such as the appraisal to have comment on the transaction vy the specified person and will bring the opinion to be the consideration of the Board of Directors to make sure that the transaction is not for transfer any profit between companies and/or branches or the person who has the controversial with the company, but the transaction for shareholders benefit.

Financial Position & Consolidated Financial Performance

Financial Information
Financial statement
Statement of Financial Position

Statement of Financial Position	Audited Financial Statements					
	31 Dec 2016		31 Dec 2017		31 Dec 201	
	Million THB	%	Million THB	%	Million THB	%
Assets						
Current Assets						
Cash and cash equivalents	85.69	5.17	82.55	4.04	13.63	0.47
Short-term investments, net	0.07	-	0.22	0.01	0.20	0.01
Trade and other receivables	35.62	2.15	21.02	1.03	38.54	1.33
Short-term loans	8.40	0.51	6.08	0.30	-	-
Land and real estate for sales	414.94	25.06	259.53	12.69	156.75	5.43
Land and real estate under development	890.48	53.77	1,280.53	62.59	2,239.94	77.56
Other current assets	2.78	0.17	34.76	1.70	37.98	1.32
Total current assets	**1,437.98**	**86.83**	**1,684.69**	**82.34**	**2,487.04**	**86.12**
Non-Current Assets						
Restricted deposits at a bank	-		1.30	0.06	2.30	0.08
Restricted short-term investments (net)		-	79.04	3.86	79.40	2.75
Advance payments for business investment	75.40	4.55	155.58	7.60	-	-
Land and real estate sold with long-term income guarantee/buy-back condition	58.66	3.54	58.66	2.87	58.66	2.03
Plant and equipment, net	37.66	2.27	41.29	2.02	40.79	1.41
Intangible assets, net	-	-	4.11	0.20	13.71	0.47
Deferred tax assets, net	17.74	1.07	-	-	-	-
Prepaid withholding tax	24.18	1.46	20.25	0.99	14.51	0.50
Other non-current assets	4.45	0.27	1.00	0.05	191.51	6.63
Total non-current assets	**218.10**	**13.17**	**361.24**	**17.66**	**400.88**	**13.88**
Total Assets	**1,656.09**	**100.00**	**2,045.93**	**100.00**	**2,887.92**	**100.00**

Statement of Financial Position	Audited Financial Statements					
	31 Dec 2016		31 Dec 2017		31 Dec 2018	
	Million THB	%	Million THB	%	Million THB	%
Liabilities and Equity						
Current Liabilities						
Trade and other payables	143.68	17.18	82.40	6.15	320.05	13.99
Current portion of long-term loans from financial institutions	9.00	1.08	43.10	3.21	43.93	1.92
Short-term borrowings	408.93	48.88	119.50	8.91	636.70	27.84
Provision for guaranteed returns	7.64	0.91	-	-	-	-
Current portion of finance lease liabilities	1.19	0.14	0.84	0.06	0.87	0.04
Deposits and advances received from customers	110.51	13.21	192.59	14.36	266.17	11.64
Provision for delivery delay	4.98	0.60	1.10	0.08	4.61	0.20
Other current liabilities	3.17	0.38	2.52	0.19	16.31	0.71
Total Current Liabilities	**689.10**	**82.38**	**442.04**	**32.97**	**1,288.64**	**56.34**
Non-Current Liabilities						
Long-term borrowings from financial institutions	41.00	4.90	15.16	1.13	98.27	4.30
Finance lease liabilities	2.77	0.33	1.68	0.13	0.81	0.04
Unearned revenue	94.13	11.25	94.13	7.02	94.13	4.12
Debentures, net	-	-	769.93	57.42	783.16	34.24
Deferred tax liabilities, net	-	-	5.23	0.39	8.58	0.38
Employee benefit obligations	9.52	1.14	12.64	0.94	13.62	0.60
Total Non-Current Liabilities	**147.42**	**17.62**	**898.77**	**67.03**	**998.56**	**43.66**
Total Liabilities	**836.52**	**100.00**	**1,340.81**	**100.00**	**2,287.20**	**100.00**
Equity						
Share capital						
Authorised share capital	2,999.85	181.14	2,249.89	109.97	2,249.89	77.91
Issued and paid-up share capital	2,999.85	366.03	1,499.93	212.72	1,999.90	332.92
Discount on share capital	(1,153.82)	(140.78)	-	-	(300.39)	(50.00)
Deficits	(1,026.46)	(125.24)	(794.82)	(112.72)	(1,098.80)	(182.91)
Other components of equity	0.01	0.00	0.02	0.00	0.00	0.00
Total Equity	**819.57**	**100.00**	**705.12**	**100.00**	**600.72**	**100.00**
Total Liabilities and Equity	**1,656.09**		**2,045.93**		**2,887.92**	

Statement of Comprehensive Income

Statement of Financial Position	Audited Comprehensive Income Statements					
	31 Dec 2016		31 Dec 2017		31 Dec 2018	
	Million THB	%	Million THB	%	Million THB	%
Revenue from sales of land and real estate	754.90	94.53	312.51	92.74	176.57	85.66
Revenue from decoration service	43.63	5.46	16.80	4.99	5.93	2.88
Revenue from rental service	0.09	0.01	7.65	2.27	23.62	11.46
Cost of sales of land and real estate	(520.39)	(65.16)	(190.39)	(56.50)	(102.05)	(49.51)
Cost of decoration service	(38.96)	(4.88)	(11.16)	(3.31)	(4.72)	(2.29)
Cost of rental service	(9.79)	(1.23)	(22.86)	(6.78)	(43.05)	(20.88)
Gross profit	**229.48**	**28.73**	**112.76**	**33.40**	**56.30**	**27.32**
Interest income	0.91	0.11	1.50	0.45	3.17	1.54
Other income	15.13	1.89	3.20	0.95	2.58	1.25
Profit before expenses	**245.53**	**30.74**	**117.25**	**34.80**	**62.06**	**30.11**
Selling and servicing expenses	(76.00)	(9.52)	(80.69)	(23.95)	(93.93)	(45.57)
Administrative expenses	(65.17)	(8.16)	(82.92)	(24.97)	(100.88)	(48.94)
Finance costs	(47.96)	(6.01)	(38.80)	(11.52)	(158.10)	(76.70)
Other gains-reversal of provision for delivery delay[1]	28.69	3.59	3.46	1.03	-	-
Total expenses	**(160.44)**	**(20.09)**	**(198.94)**	**(59.40)**	**(352.91)**	**(171.22)**
Profit (Loss) before income tax	**85.09**	**10.65**	**(81.69)**	**(24.24)**	**(290.85)**	**(141.11)**
Income tax	(23.20)	(2.91)	(31.53)	(9.36)	(12.09)	(5.87)
Profit (Loss) for the year	**61.88**	**7.75**	**(113.22)**	**(33.60)**	**(302.95)**	**(146.98)**
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurements of employment benefit obligations	1.52		(1.55)		(1.29)	
Income tax relating to items that will not be reclassified to profit or loss	(0.30)		0.31		0.26	
Remeasurements of employment benefit obligations, net of tax	1.21		(1.24)		(1.03)	
Items that will be reclassified subsequently to profit or loss	0.01		0.01			
Gain (loss) onremeasurement of investments	-		-		(0.02)	
Income tax relating to items that will be reclassified to profit or loss	0.01		0.01		0.00	
Gain (Loss) onremeasurement of investments, net of tax					0.00	
Other comprehensive income (loss) for the year, net of tax	**1.22**		**(1.23)**		**(1.05)**	
Total comprehensive income (loss) for the year	**63.11**		**(114.45)**		**(303.99)**	
Earnings (Loss) per share						
Basic earnings (loss) per share (THB)	0.021		(0.038)		(0.083)	

Statement of Cash Flows

Statement of Cash Flows	Audited Cash Flows Statements		
	31 Dec 2016 Million THB	31 Dec 2017 Million THB	31 Dec 2018 Million THB
Cash flows from operating activities			
Profit (Loss) before income tax	85.09	(81.69)	(290.85)
Adjustments:			
Depreciation	2.83	3.14	4.58
Amortisation	-	0.02	4.60
Loss on write-off of fixed assets	-	-	0.00
Allowance for doubtful account	1.61	0.03	12.78
Gain from sale of investment	-	(0.13)	-
Net loss (gain) from disposals of plant and equipment	2.24	-	-
plant and equipment	(2.17)	-	-
Allowance for impairment of plant and equipment (reversal)	(28.69)	(3.46)	-
Provision for delivery delay (reversal) (1)			
Provision for guaranteed returns	9.61	(7.64)	4.61
Employee benefit obligations	1.14	1.57	1.87
Interest income	(0.91)	(1.50)	(3.17)
Finance costs – Interest expenses	47.96	38.80	158.10
	118.71	(50.88)	(107.48)
Changes in working capital			
Trade and other receivables	8.28	8.58	(22.03)
Land and real estate for sales	370.38	155.41	102.78
Land and real estate under development costs	-	(400.64)	(799.96)
Other current assets	(1.70)	(18.42)	(3.23)
Deposits	40.64	-	-
Other non-current assets	(0.06)	3.45	(190.50)
Trade and other payables	(37.28)	(46.54)	228.40
Provision for guaranteed returns	(9.39)	-	-
Provision for delivery delay	(1.60)	(0.42)	(1.10)
Deposits and advances received from customers	(243.31)	82.08	73.58
Other current liabilities	2.38	(0.65)	13.79
Unearned revenue	(10.97)	-	-
Employee benefit obligations	-	-	(2.18)
Cash generated from (used in) operations activities before interest income and finance costs paid	236.07	(268.04)	(707.91)
Income tax paid	(8.87)	-	-
Interest received	0.20	0.36	0.25
Finance cost paid	(136.80)	(49.50)	(85.17)
Withholding tax paid	-	(4.32)	(2.74)
Net cash generated from (used in) operating activities	90.59	(321.51)	(795.57)

Statement of Cash Flows	Audited Cash Flows Statements		
	31 Dec 2016 Million THB	31 Dec 2017 Million THB	31 Dec 2018 Million THB
Cash flows from investing activities			
Restricted deposits at bank	-	(1.30)	(1.00)
Cash payment for available-for-sale investment	-	(400.00)	-
Cash receipt from available-for-sale investment	-	400.00	-
Cash payment for notes receivable	-	(80.00)	-
Cash payment for short-term loans to related parties	-	-	-
Cash receipt from short-term loans to related parties	-	-	-
Cash receipt from short-term loans to other parties, net	4.11	2.32	-
Cash receipt from deferred interest from notes receivable	-	1.69	2.38
Purchase of plant and equipment	(1.39)	(6.76)	(4.08)
Proceed from disposal of plant and equipment	-	-	-
Purchase of intangible assets	-	(0.30)	(4.29)
Cash payment for investment in subsidiaries	-	-	-
Advance paymenst for business investment	(75.40)	(80.18)	-
Net cashused in investing activities	(72.68)	(164.53)	(6.99)
Cash flows from financing activities			
Payment of finance lease liabilities	(2.72)	(1.44)	(0.84)
Proceeds from short-term borrowings from related parties	271.05	3.00	127.50
Repayments of short-term borrowings from related parties	(408.55)	(187.93)	(61.50)
Proceeds of short-term loans	215.00	311.02	505.00
Repayments of short-term loans	(30.00)	(296.13)	(64.00)
Cash payments for loans fee and deferred interest from loan from financial institution	-	(18.63)	(55.02)
Proceeds from long-term borrowing from financial institutions	104.06	17.00	109.00
	(490.64)	(8.75)	(23.89)
Repayments of long-term borrowing from financial institutions	-	-	(2.20)
Cash payments for loans fee and deferred interest of long-term borrowings from financial institutions	-	-	-
		699.00	-
Cash receipts from debentures	-	(34.24)	-
Cash payment for front end fees	358.33	-	199.59
Proceeds from issue of increase shares, net			
Proceeds from issue of ordinary shares, net			
Net cash received from financing activities	16.52	482.90	733.63
Net increase (decrease) in cash and cash equivalents	34.43	(3.14)	(68.93)
Cash and cash equivalents - beginning balance	51.26	85.69	82.55
Cash and cash equivalents – ending balance	85.69	82.55	13.63
Supplementary information for cash flows			
Non-cash transaction			
Transfer of bills of exchange into debentures	-	101.00	-
Payables from purchase of Intangible asset			9.92
Advance payment for investment transferred to land and real estate under development			155.58
Finance lease liabilities from purchase of equipment and vehicles	3.72	-	-

Financial Ratio Analysis

Financial Ratio	Unit	Audited financial statements		
		31 Dec 2016	31 Dec 2017	31 Dec 2018
Liquidity Ratio				
Current ratio	Times	2.09	3.81	1.93
Quick ratio	Times	0.18	0.25	0.04
Operating cash flows ratio	Times	N/A	N/A	N/A
Account receivables turnover	Times	22.08	11.90	6.92
Account receivables days	Days	16.30	30.26	52.01
Inventory turnover	Times	0.93	0.67	0.72
Inventory days	Days	387.55	541.02	500.16
Account payable turnover	Times	2.80	1.99	0.74
Account payable days	Days	128.73	181.35	483.54
Cash Cycle	Days	275.13	389.93	68.63
Profitability Ratio				
Gross profit margin	%	28.73	33.40	27.32
Operating profit margin	%	11.06	(15.15)	(67.20)
Other income margin	%	5.49	2.39	2.72
Operating cash flows margin	%	102.58	(904.32)	574.39
Net profit margin	%	7.60	(33.14)	(142.99)
Return of equity	%	10.16	(14.85)	(46.40)
Efficiency Ratio				
Return on assets	%	3.41	(6.12)	(12.28)
Return on fixed assets	%	177.11	(278.83)	(726.96)
Assets turnover	Times	0.36	0.18	0.09
Financial Policy Ratio				
Debt to equity ratio	Times	1.02	1.90	3.81
Interest coverage ratio	Times	1.73	(5.50)	(8.34)
Fixed-charge coverage ratio	Times	0.09	(0.29)	(3.72)
Dividend payout ratio	%	N/A	N/A	N/A

Management Discussion and Analysis : MD&A

(1) The analysis of operating results

REVENUE

Revenue from sales of land and real estate

The Company has policy on revenue recognition from sales of land and real estate, such as residential condominiums, resorts and hotels on the date of ownership transferred to the buyers and completion of full price payment. The Company's revenues from sales of land and real estate in 2016, 2017 and 2018 were 754.90 million THB, 312.51 million THB and 176.57 million THB, or equivalent to 94.53%, 92.75% and 85.66% of total revenue from sales and services, respectively. The revenue recognitions can be summarized as follows:

Statement of Comprehensive Income	Audited Comprehensive Income Statement					
	31 Dec 2016		31 Dec 2017		31 Dec 2018	
	Million THB	%	Million THB	%	Million THB	%
Revenue from sales	754.90	94.53	312.51	92.74	176.57	85.66
Service income from decoration services	43.63	5.46	16.80	4.99	5.93	2.88
Service income from rental services	0.09	0.01	7.65	2.27	23.62	11.46
Total revenue from sales and services	**798.62**	**100.00**	**336.96**	**100**	**206.12**	**100.00**

In 2018 the revenue from sales of land and real estate was reduced at 43.50% in comparison with the previous year, or as much as 135.94 million THB mainly on the grounds that the number of condominium units and villas not yet sold and transferred of Movenpick Residences and Pool Villas was less than in 2017 as the project had almost been sold out.

Revenue from sales of land and real estate is recognised when significant risks and rewards of ownership of the property are transferred to the buyer. By The company does not recognise revenue when sale of the property is made with long-term guarantee of rental income or with buy-back condition until such condition ceases. Installments received under the contract but not yet recognised as revenues are recorded as "Deposits and advances received

from customers" or "Unearned revenue".

Service income from decoration services

Other than revenue from sales of land and real estate, the income received from decoration service provided to the buyers joining the Rental Pool Program are also recognized as revenue from decoration services is recognised based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. Percentage of completion is measured by comparing the relationship costs incurred for work performed to date with the total estimated costs for the contract.

In 2016, 2017 and 2018 were 43.63 million THB, 16.80 million THB and 5.93 million THB, or equivalent to 5.46%, 4.99% and 2.88% of total revenue from sales and services, respectively, decrease because of the condominium units and villas under the Rental Pool Program were under process of decoration to finished and available for rental service.

Service income from rental services

The Company recognized service income from rental services for the Rental Pool Program management, mainly from the benefit of customers enrolling into the Rental Pool Program. The Company will get management fee at 6% plus maintenance fee at 4% based on rental income before giving net rental amount to the enrolled owners. in 2016, 2017 and 2018 were .09 million THB, 7.65 million THB and 23.62 million THB, or equivalent to 0.01%, 2.27% and 11.46% of total revenue from sales and services, respectively, increase because of the condominium units and villas under the Rental Pool Program providing condominium units and villas for rental service.

Other revenues

Other revenues of the Company include the interest income from related parties' loan and cancellation fee under the sale and purchase agreement. In 2016, 2017 and 2018 were 16.04 million THB, 4.7 million THB and 5.75 million THB, respectively,

Expenses

Cost of sales and services

The Company separately recognized cost of sales and services into 3 parts: 1) cost of sales 2) cost of decoration services and 3) cost of rental services, in line with the recognition of main revenue of the Company. The cost of sales will be recognized after transferring ownership to the buyers. The cost of decoration services and cost of rental services with respect to the condominium units and villas under the Rental Pool Program will be separately recognized according to the recognition of revenue from sale and service at each part.

In 2016, 2017 and 2018 the Company had cost of sales and services at 520.39 million THB, 190.39 million THB and 102.05 million THB or equivalent to 65.16%, 56.50% and 49.51% of total revenue from sales and services of the Company, respectively. While cost of services including cost of decoration services and cost of rental services with respect to the Rental Pool Program in 2016, 2017 and 2018 was 48.75 million THB, 34.02 million THB and 47.77 million THB or equivalent to 6.11%, 10.39% and 23.17% of the revenue from sales and services, respectively. The conclusion can be summarized in the following Table:

Statement of Comprehensive Income	Audited Comprehensive Income Statement					
	31 Dec 2016		31 Dec 2017		31 Dec 2018	
	Million THB	%	Million THB	%	Million THB	%
Total Revenue from Sales and Services	798.62	100.00	336.96	100.00	206.12	100.00
Cost of sales	(520.39)	(65.16)	(190.39)	(56.50)	(102.05)	(49.51)
Cost of decoration services	(38.96)	(4.88)	(11.16)	(3.31)	(4.72)	(2.29)
Cost of rental services	(9.79)	(1.23)	(22.86)	(6.78)	(43.05)	(20.88)
Total cost of sales and services	**(569.14)**	**(71.27)**	**(224.41)**	**(66.59)**	**(149.82)**	**(72.68)**

Gross profit and gross profit margin

During 2016 – 2018 the main revenue from sales of land and real estate was decline due to the number of condominium units and villas in MÖvenpick Residences and Pool Villas Project which were waiting for sale and transferring was decreased, resulting in the gross profit of the Company remained at 229.48 million THB, 112.56 million THB and 56.30 million THB or equivalent to gross profit margin at 28.73%, 33.40% and 27.32%, of the revenue from sales and services, respectively.

Selling and service expenses

During 2016 – 2018 the Company had expenses in sales and services 76.00 million THB, 80.69 million THB and 93.93 million THB or equivalent to 9.52%, 23.95% and 45.57% of total revenue from sales and services, respectively. The most of expenses in 2016 – 2018 were for units transferring, preparation of agreement and documentations with respect to the transfer of ownership to the buyers of MÖvenpick Residences and Pool Villas. While in 2018 the Company began to have service expenses due to the Rental Pool Program, as well as the campaign and advertisement for the new project of Sheraton Phuket Grand Bay Resort and Residences in Phuket. Accordingly, the proportion of selling and service expenses in sales and services to total income from sales and services in 2018 became remarkably increased in comparison with the previous year.

Administration Expenses

In 2016 – 2018 the Company had administration expenses 65.17 million THB, 82.92 million THB and 100.88 million THB or equivalent to 8.16%, 24.61% and 48.94% of total revenue from sales and services of the Company. Most of administration expenses were advisory fee, payroll, employee welfare and expenses relating to employees, because of increasing of the new projects in the year 2017 – 2018.

Net Profit (Loss) and Net Profit Margin

During 2016 – 2018 the Company had net profit 61.88 million THB , (113.22) million THB and (302.95) million THB or equivalent to net profit margin at 7.75% , (33.60%) and (146.98%), respectively . Due to the lower number of condominium units and villas waiting for sale and transferring in comparison with the previous year.

Although the Company recognized more services income, the main income affecting net profit of the Company remained the revenue from the sales.

(2) The analysis of financial position

Assets

Outlook on Assets

At the end of 2016 – 2018, the Company had total assets at 1,656.09 million THB, 2,045.93 million THB

and 2,887.92 million THB, respectively. The major assets were 1) land and real estate under development, including cost of land, cost of construction, as well as financial cost from loan for project development such as loan interest and financial fees and 2) land and real estate for sale, including real estate for residence to be recorded as cost of sale when recognition of revenue from sales.

Land and Real Estate under Development

At the end of 2016 – 2018, the Company had land and real estate under development at 890.48 million THB, 1,280.53 million THB and 2,239.94 million THB or equivalent to 53.77%, 62.59% and 77.56% of total assets, respectively. In 2018 the land and real estate under development was raised due to acquisition a Sigma hotel pattaya for development of Four Point by Sheraton Pattaya and progressing of construction in other projects.

Land and Real Estate for Sale

At the end of 2018, the Company had land and real estate for sale at 156.75 million THB or equivalent to 5.43% of total assets, decreased in comparison with the previous year 102.78 million THB. Owing to the company had sale and transfer of completed units in MÖvenpick Residences and Pool Villas Project. Then the land and real estate for sale was transferred to and recognized as cost of sales in the Statement of Comprehensive Income.

Liabilities

At the end of 2016- 2018 the Company had total liabilities at 836.52 million THB, 1,340.81 million THB and 2,287.2 million THB, respectively. The major liabilities were inclusive of Trade and other payables Long-term borrowings from financial institutions, short term loan, Debentures and Deposits and advances received from customers.

Trade and other accounts payable

Trade and other accounts payable of the Company mostly were trading creditors relating to construction, performance guarantee, brand license and front-end fee. The main creditors were the construction contractors of the project development. At the end of 2016 – 2018 the Company had trade and other account payable at 143.68 million THB, 82.40 million THB and 320.05 million THB or equivalent to 17.18%, 6.15% and 13.99% of total liabilities, respectively.

Short-Term Loans

At the end of 2016 – 2018 the Company had short-term loans at 408.93 million THB, 119.50 million THB and 636.70 million THB or equivalent to 48.88%, 8.91% and 27.84% of total liabilities, respectively. Most of the short-term loans were short-term loans from other parties, short-term loan from related parties and promissory notes.

Deposits and Advance Payment from Customers

The Company had deposits and advance payment from sales of condominium units and villas of each project, including reservation fee, sale and purchase agreement fee, and down payment as at the end of 2016 – 2018 at 110.51 million THB, 192.59 million THB and 266.17 million THB, respectively. The said advance payment from customers could be recognized as revenue after transfer of ownership to the customers. As at the end of 2018, the Company had deposit and advance payment from customers 38.21% higher in comparison with the end of previous year.

Long-Term Loans from Financial Institutions

Long-term loans from financial institutions were the loan for operation and development of the projects or as fund for real estate development. As at the end of 2016, 2017 and 2018, the Company had long-term loans from financial institutions at 50.00 million THB, 58.26 million THB and 142.20 million THB or equivalent to 5.98%, 4.34% and 6.22% of total liabilities, respectively. The repayment of such long-term loans will be from the revenues after transferring ownership to customers. The Company's long-term loans from financial institutions were considered as normal status.

Debentures

In 2018 the Company issued the debentures as funds for business operation and expansion, totally 800 million THB. The said debentures age 2.5 years with 6.25% interest per annum to be matured on 28th February 2020. As at the end of 2016,2017 the Company had net value of debentures at 769.93 million THB or equivalent to 783.16% or equivalent to 57.42%, 34.24% of total liabilities.

Equity

On 1 January 2018 ,Issued and paid-up capital 1,499.93 million THB, accumulate deficit 794.82 million THB, Other elements .01 million THB are affective to shareholders equity was 705.12 million THB . Between in the year 2018 The Company had increased share capital 499.97 million THB and was the deficit of the shareholders' equity (300.38) million THB. Between in the year 2018 The Company had comprehensive loss (302.96) and measurement new value of retirement benefits employee (1.03) million THB ,then to be shareholder equity on 31 December 2018 was 600.72 million THB.

(3) The analysis of liquidity from statement of cash flows

Statement of Cash Flows

Net Cash Flow from operating activities

In 2018 the Company spent 795.57 million THB on business operations, which increased 474.06 million THB from the year 2017, mainly for real estate development and down payment for purchasing new plot of land to be developed in the future.

Net Cash Flow from investment activities

In 2018 the Company spent 6.99 million THB on investment activities, which decreased 157.54 million THB from the year 2017.

Net Cash Flow from financing activities

In 2017 the Company had net cash on from fundraising activities totaling 733.63 million THB, which increased 250.73 million THB from the year 2017. The main funding was from issuing increase in shares capital 119.59 million THB, and from short-term loan and long-term loan at 741.5 million THB. However, in 2017 the Company made repayment to short-term and long-term loans, totally 207.46 million THB.

Independent Auditor's Report

To the Shareholders and the Board of Directors of Apex Development Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Apex Development Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2018;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended; and
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate 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.

Emphasis of matter

I draw attention to Note 2 of the financial statements, which describes the equity and paid-up share capital ratio of the Group, the equity for which is less than 50 percent of the paid-up share capital with any discount on share capital deducted. This financial ratio has meant that the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on the Company's securities. In addition, I draw attention to Note 3 of the financial statements, which describes the Group and the Company's financial position as of 31 December 2018 and management business plan. My opinion is not modified in respect of these matters.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determine one key audit matter: Valuation of land and real estate for sale and under development. The matter was addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

Key audit matter	How my audit addressed the key audit matter
Valuation of land and real estate for sale and under development Land and real estate for sale and under development were the major assets of the Group as of 31 December 2018. The costs of land and real estate for sale are Baht 156.75 million and land and real estate under development are Baht 2,239.94 million as shown in Notes 13 and 14, respectively. These costs represent 82.99% of the total assets of the Group. Because the costs of land and real estate for sale and under development are significant amounts to the Group's financial statements, and comprise several sources of costs such as cost of land, development costs, construction costs and related borrowing costs, I focussed on the valuation of these.	In testing the valuation of the account, I carried out the following procedures on a sample basis by: - talking to the staff responsible for the recognition of the costs of land and real estate for sale and under development such as the general basis of recording costs of real estate and the supporting documents used for recording transactions. I also evaluated whether the accounting records were correct - testing the internal controls over the process of recording the costs of land and real estate for sale and under development - testing the valuation of the costs of land and real estate for sale and under development by examining the supporting documents i.e. contracts, invoices, and original receipts - checking the unsold residential units and villas of each project in the Group's records by performing a reconciliation of the unsold units and villas available at the beginning of the year less the total units and villas sold during the year. The check was based on the sales documents. In addition, I visited the site, including examining the accuracy of the cost of residential units and villas presented in costs of land and real estate for sale by recalculating the cost per unit and unsold units for each project - assessing the accuracy and reasonableness of the capitalisation of interest cost by testing a sample of interest cost capitalised in the year to assess whether this transaction had met the criteria for capitalisation set out in the accounting standards. I also tested its accuracy, and - conducting site visits to see the progress of real estate under development to assess whether it was consistent with the costs recorded. I found that the costs of land and real estate for sale and under development were reasonable, supported by the available evidence.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be 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 the audit committee

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Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Group and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

PricewaterhouseCoopers ABAS Ltd.
15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand
T: +66 (0) 2344 1000, +66 (0) 2824 5000 F: +66 (0) 2286 5050, www.pwc.com/th

I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.

Anutai Poomsurakul
Certified Public Accountant (Thailand) No. 3873
Bangkok
28 February 2019

APEX DEVELOPMENT PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2018

PricewaterhouseCoopers ABAS Ltd.
15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Bangkok 10120, Thailand
T: +66 (0) 2344 1000, +66 (0) 2824 5000 F: +66 (0) 2286 5050, www.pwc.com/th

Apex Development Public Company Limited
Statement of Financial Position
As at 31 December 2018

	Notes	Consolidated financial statements 2018 Baht	Consolidated financial statements 2017 Baht	Separate financial statements 2018 Baht	Separate financial statements 2017 Baht
ASSETS					
Current assets					
Cash and cash equivalents	9	13,626,190	82,554,707	11,704,255	80,934,797
Short-term investments (net)	10	197,190	216,935	197,190	216,935
Trade and other receivables (net)	11	38,538,215	21,020,289	40,548,215	29,669,892
Short-term loans (net)	12	-	6,080,900	-	6,080,900
Land and real estate for sales	13	156,751,744	259,531,064	156,751,744	259,531,064
Land and real estate under development	14	2,239,942,373	1,280,530,951	1,817,614,688	876,715,654
Other current assets	15	37,984,899	34,759,251	37,984,899	34,759,251
Total current assets		2,487,040,611	1,684,694,097	2,064,800,991	1,287,908,493
Non-current assets					
Restricted deposits at a bank	16	2,300,000	1,300,000	2,300,000	1,300,000
Restricted short-term investments (net)	10	79,403,736	79,044,762	79,403,736	79,044,762
Investments in subsidiaries	17	-	-	469,299,050	450,079,700
Advance payments for business investment	18	-	155,582,370	-	155,582,370
Land and real estate sold with long-term income guarantee/ buy-back condition	19	58,659,995	58,659,995	58,659,995	58,659,995
Plant and equipment (net)	20	40,792,282	41,292,805	40,792,282	41,292,805
Intangible assets (net)	21	13,709,955	4,105,190	13,709,955	4,105,190
Deferred tax assets (net)	22	-	-	5,555,723	8,907,774
Prepaid withholding tax		14,507,502	20,249,978	14,303,508	20,046,036
Other non-current assets	23	191,506,980	1,003,537	191,506,980	1,003,537
Total non-current assets		400,880,450	361,238,637	875,531,229	820,022,169
Total assets		2,887,921,061	2,045,932,734	2,940,332,220	2,107,930,662

Director _____ Director _____

The accompanying notes on pages 12 to 58 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited
Statement of Financial Position
As at 31 December 2018

	Notes	Consolidated financial statements 2018 Baht	Consolidated financial statements 2017 Baht	Separate financial statements 2018 Baht	Separate financial statements 2017 Baht
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	25	320,045,043	82,404,170	309,414,405	78,167,141
Current portion of long-term loans from financial institutions	27	43,928,036	43,097,499	43,928,036	43,097,499
Short-term borrowings	26	636,699,870	119,496,769	636,699,870	119,496,769
Current portion of finance lease liabilities	28	871,814	843,913	871,814	843,913
Deposits and advances received from customers	29	266,170,436	192,586,600	266,170,436	192,586,600
Provision for guaranteed returns	30	4,614,520	-	4,614,520	-
Provision for delivery delay	31	-	1,096,113	-	1,096,113
Other current liabilities	32	16,312,031	2,517,983	16,254,774	2,000,286
Total current liabilities		1,288,641,750	442,043,047	1,277,953,855	437,288,321
Non-current liabilities					
Long-term borrowings from financial institutions	27	98,270,548	15,157,148	98,270,548	15,157,148
Finance lease liabilities	28	809,233	1,681,356	809,233	1,681,356
Unearned revenue		94,130,275	94,130,275	94,130,275	94,130,275
Debentures (net)	33	783,155,088	769,933,825	783,155,088	769,933,825
Deferred tax liabilities (net)	22	8,578,972	5,226,921	-	-
Employee benefit obligations	34	13,616,965	12,636,551	13,616,965	12,636,551
Total non-current liabilities		998,561,081	898,766,076	989,982,109	893,539,155
Total liabilities		2,287,202,831	1,340,809,123	2,267,935,964	1,330,827,476
Equity					
Share capital	35				
Authorised share capital					
4,499,775,000 ordinary shares of par Baht 0.5 each		2,249,887,500	2,249,887,500	2,249,887,500	2,249,887,500
Issued and paid-up share capital					
3,999,800,000 ordinary shares of par Baht 0.5 each (2017 : 2,999,850,000 ordinary shares of par Baht 0.5 each)		1,999,900,000	1,499,925,000	1,999,900,000	1,499,925,000
Discount on share capital		(300,385,000)	-	(300,385,000)	-
Deficits		(1,098,797,532)	(794,817,948)	(1,027,119,506)	(722,838,373)
Other components of equity	36	762	16,559	762	16,559
Total equity		600,718,230	705,123,611	672,396,256	777,103,186
Total liabilities and equity		2,887,921,061	2,045,932,734	2,940,332,220	2,107,930,662

The accompanying notes on pages 12 to 58 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Revenue from sales of land and real estate		176,567,630	312,509,168	176,567,630	312,509,168
Revenue from decoration service		5,926,927	16,797,326	5,926,927	16,797,326
Revenue from rental service		23,621,448	7,648,622	23,621,448	7,648,622
Cost of sales of land and real estate		(102,049,932)	(190,385,001)	(102,049,932)	(190,385,001)
Cost of decoration service		(4,719,998)	(11,155,500)	(4,719,998)	(11,155,500)
Cost of rental service		(43,045,075)	(22,858,667)	(43,045,075)	(22,858,667)
Gross profit		56,301,000	112,555,948	56,301,000	112,555,948
Interest income		3,174,048	1,500,612	3,168,955	18,900,574
Other income (net)		2,580,384	3,195,895	2,575,119	3,142,820
Profit before expenses		62,055,432	117,252,455	62,045,074	134,599,342
Selling and servicing expenses		(93,931,191)	(80,685,495)	(93,931,191)	(80,685,495)
Administrative expenses		(100,877,034)	(82,920,170)	(99,844,296)	(80,826,170)
Finance costs (net)	38	(158,099,950)	(38,800,949)	(159,423,879)	(39,731,077)
Other gains - reversal of provision for delivery delay	31	-	3,463,703	-	3,463,703
Total expenses		(352,908,175)	(198,942,911)	(353,199,366)	(197,779,039)
Loss before income tax		(290,852,743)	(81,690,456)	(291,154,292)	(63,179,697)
Income tax	39	(12,092,748)	(31,528,878)	(12,092,748)	(17,394,183)
Loss for the year		(302,945,491)	(113,219,334)	(303,247,040)	(80,573,880)
Other comprehensive income :					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of employment benefit obligations		(1,292,616)	(1,549,625)	(1,292,616)	(1,549,625)
- Income tax relating to items that will not be reclassified to profit or loss		258,523	309,925	258,523	309,925
- Remeasurements of employment benefit obligations, net of tax		(1,034,093)	(1,239,700)	(1,034,093)	(1,239,700)
Items that will be reclassified subsequently to profit or loss					
- Gain (loss) on remeasurement of investments		(19,745)	14,143	(19,745)	14,143
- Income tax relating to items that will be reclassified to profit or loss		3,948	(2,828)	3,948	(2,828)
- Gain (loss) on remeasurement of investments, net of tax		(15,797)	11,315	(15,797)	11,315
Other comprehensive income (loss) for the year, net of tax		(1,049,890)	(1,228,385)	(1,049,890)	(1,228,385)
Total comprehensive income (loss) for the year		(303,995,381)	(114,447,719)	(304,296,930)	(81,802,265)
Loss per share	40				
Basic loss per share		(0.083)	(0.038)	(0.083)	(0.027)

The accompanying notes on pages 12 to 58 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited
Statement of Changes in equity
For the year ended 31 December 2018

		Consolidated financial statements					
					Other components of equity		
					Other comprehensive income (loss)		
	Note	Authorised, issued and paid-up share capital Baht	Discount on share capital Baht	Deficits Baht	Gain (loss) on remeasurement of investments Baht	Total other components of equity Baht	Total Baht
Opening balance as at 1 January 2017		2,999,850,000	(1,153,823,762)	(1,026,460,152)	5,244	5,244	819,571,330
Change in equity for the year							
Decrease in share capital during the year	35	(1,499,925,000)	1,153,823,762	346,101,238	-	-	-
Comprehensive income (loss) for the year		-	-	(113,219,334)	11,315	11,315	(113,208,019)
Remeasurments of employee benefit obligations		-	-	(1,239,700)	-	-	(1,239,700)
Closing balance as at 31 December 2017		1,499,925,000	-	(794,817,948)	16,559	16,559	705,123,611
Opening balance as at 1 January 2018		1,499,925,000	-	(794,817,948)	16,559	16,559	705,123,611
Change in equity for the year							
Increase in share capital during the year	35	499,975,000	(300,385,000)	-	-	-	199,590,000
Comprehensive income (loss) for the year		-	-	(302,945,491)	(15,797)	(15,797)	(302,961,288)
Remeasurments of employee benefit obligations		-	-	(1,034,093)	-	-	(1,034,093)
Closing balance as at 31 December 2018		1,999,900,000	(300,385,000)	(1,098,797,532)	762	762	600,718,230

The accompanying notes on pages 12 to 58 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited
Statement of Changes in equity (Cont'd)
For the year ended 31 December 2018

		Separate financial statements					
					Other components of equity		
					Other comprehensive income (loss)		
	Note	Authorised, issued and paid-up share capital Baht	Discount on share capital Baht	Deficits Baht	Gain (loss) on remeasurement of investments Baht	Total other components of equity Baht	Total Baht
Opening balance as at 1 January 2017		2,999,850,000	(1,153,823,762)	(987,126,031)	5,244	5,244	858,905,451
Change in equity for the year							
Decrease in share capital during the year	35	(1,499,925,000)	1,153,823,762	346,101,238	-	-	-
Comprehensive income (loss) for the year		-	-	(80,573,880)	11,315	11,315	(80,562,565)
Remeasurments of employee benefit obligations		-	-	(1,239,700)	-	-	(1,239,700)
Closing balance as at 31 December 2017		1,499,925,000	-	(722,838,373)	16,559	16,559	777,103,186
Opening balance as at 1 January 2018		1,499,925,000	-	(722,838,373)	16,559	16,559	777,103,186
Change in equity for the year							
Increase in share capital during the year	35	499,975,000	(300,385,000)	-	-	-	199,590,000
Comprehensive income (loss) for the year		-	-	(303,247,040)	(15,797)	(15,797)	(303,262,837)
Remeasurments of employee benefit obligations		-	-	(1,034,093)	-	-	(1,034,093)
Closing balance as at 31 December 2018		1,999,900,000	(300,385,000)	(1,027,119,506)	762	762	672,396,256

The accompanying notes on pages 12 to 58 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2018

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Loss before income tax		(290,852,743)	(81,690,456)	(291,154,292)	(63,179,697)
Adjustments:					
Depreciation	20	4,583,066	3,136,133	4,583,066	3,136,133
Amortisation	21	4,597,475	16,209	4,597,475	16,209
Loss on written-off of fixed assets	20	2	2	2	2
Allowance for doubtful account	11, 12	12,781,563	28,156	12,781,563	28,156
Gain from sale of investment	10	-	(133,216)	-	(133,216)
Gain from disposals of plant and equipment		-	(466)	-	(466)
Provision for delivery delay (reversal)	31	-	(3,463,703)	-	(3,463,703)
Provisions for guaranteed returns (reversal)	30	4,614,520	(7,638,839)	4,614,520	(7,638,839)
Employee benefit obligations	34	1,867,798	1,567,241	1,867,798	1,567,241
Interest income		(3,174,048)	(1,500,612)	(3,168,955)	(18,900,574)
Finance costs	38	158,099,950	38,800,949	159,423,879	39,731,077
		(107,482,417)	(50,878,602)	(106,454,944)	(48,837,677)
Changes in working capital					
- Trade and other receivables		(22,027,573)	8,575,993	(15,387,970)	(1,079,812)
- Land and real estate for sales		102,779,320	155,412,877	102,779,320	155,412,877
- Land and real estate development costs		(799,955,598)	(400,641,390)	(782,767,139)	(401,810,318)
- Other current assets		(3,225,648)	(18,423,316)	(3,225,648)	(18,423,316)
- Other non-current assets		(190,503,443)	3,446,259	(190,503,443)	3,446,259
- Trade and other payables		228,399,388	(46,540,757)	222,005,779	(46,344,461)
- Provision for delivery delay		(1,096,113)	(421,360)	(1,096,113)	(421,360)
- Deposits and advances received from customers		73,583,836	82,077,820	73,583,836	82,077,820
- Other current liabilities		13,794,048	(651,771)	14,254,488	(1,129,268)
- Benefits paid		(2,180,000)	-	(2,180,000)	-
Cash used in operations activities					
before interest income received and finance costs paid		(707,914,200)	(268,044,247)	(688,991,834)	(277,109,256)
Interest received		251,448	360,926	246,355	52,093,677
Finance cost paid		(85,171,509)	(49,503,742)	(85,171,509)	(48,497,540)
Withholding tax paid		(2,735,749)	(4,319,182)	(2,735,697)	(4,117,236)
Net cash used in operating activities		(795,570,010)	(321,506,245)	(776,652,685)	(277,630,355)

Apex Development Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2018

	Notes	Consolidated financial statements 2018 Baht	Consolidated financial statements 2017 Baht	Separate financial statements 2018 Baht	Separate financial statements 2017 Baht
Cash flows from investing activities					
Restricted deposits at a bank (increase)		(1,000,000)	(1,300,000)	(1,000,000)	(1,300,000)
Cash payment for available-for-sale investment	10	-	(400,000,000)	-	(400,000,000)
Cash receipt from available-for-sale investment	10	-	400,000,000	-	400,000,000
Cash payment for notes receivable	10	-	(80,000,000)	-	(80,000,000)
Cash payment for short-term loans to related parties	24.4	-	-	-	(10,905,500)
Cash receipt from short-term loans to related parties	24.4	-	-	-	395,580,500
Cash receipt from short-term loans to other parties (net)	12	-	2,321,900	-	2,321,900
Cash receipt from deferred interest from notes receivable	10	2,381,756	1,688,177	2,381,756	1,688,177
Purchase of plant and equipment		(4,082,545)	(6,763,950)	(4,082,545)	(6,763,950)
Proceed from disposal of plant and equipment		-	467	-	467
Purchase of intangible assets	21	(4,286,560)	(301,098)	(4,286,560)	(301,098)
Cash payment for investments in subsidiaries	17	-	-	(19,219,350)	(429,080,600)
Advance payments for business investment	18	-	(80,178,870)	-	(80,178,870)
Net cash used in investing activities		(6,987,349)	(164,533,374)	(26,206,699)	(208,938,974)
Cash flows from financing activities					
Payment of finance lease liabilities		(844,222)	(1,438,361)	(844,222)	(1,438,361)
Proceeds from short-term borrowings from related parties	24.3	127,500,000	3,000,000	127,500,000	3,000,000
Repayments of short-term borrowings from related parties	24.3	(61,500,000)	(187,926,897)	(61,500,000)	(187,926,897)
Proceeds of short-term borrowings	26	505,000,000	311,019,241	505,000,000	311,019,241
Repayments of short-term borrowings	26	(64,004,991)	(296,134,250)	(64,004,991)	(296,134,250)
Cash payments for loans fee and deferred interest short-term borrowings	26	(55,020,820)	(18,630,000)	(55,020,820)	(18,630,000)
Proceeds from long-term borrowings from financial institutions	27	109,000,000	17,000,000	109,000,000	17,000,000
Repayments of long-term borrowings from financial institutions	27	(23,891,125)	(8,745,353)	(23,891,125)	(8,745,353)
Cash payments for loans fee and deferred interest of long-term borrowings from financial institutions	27	(2,200,000)	-	(2,200,000)	-
Cash receipts from debentures	33	-	699,000,000	-	699,000,000
Cash payments for front end fees	33	-	(34,240,000)	-	(34,240,000)
Proceeds from issue of ordinary shares (net)	35	199,590,000	-	199,590,000	-
Net cash received from financing activities		733,628,842	482,904,380	733,628,842	482,904,380
Net increase (decrease) in cash and cash equivalents		(68,928,517)	(3,135,239)	(69,230,542)	(3,664,949)
Cash and cash equivalents - beginning balance		82,554,707	85,689,946	80,934,797	84,599,746
Cash and cash equivalents - ending balance		13,626,190	82,554,707	11,704,255	80,934,797
Supplementary information for cash flows:					
Non-cash transaction					
Transfer of bills of exchange into debentures	26, 33	-	101,000,000	-	101,000,000
Payables from purchase of Intangible asset	25	9,915,680	-	9,915,680	-
Advance payment for investment transferred to land and real estate under development	18	155,582,370	-	155,582,370	-

The accompanying notes on pages 12 to 58 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

1 General information

Apex Development Public Company Limited ("the Company") is a public limited company which is listed on the Stock Exchange of Thailand, and is incorporated and domiciled in Thailand. The address of its registered office is 10/53-56, 2nd floor, The Trendy Building, Soi Sukhumvit13, Klongteoy Nua, Wattana ,Bangkok 10110.

For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The principal business operations of the Group is development of real estate for sale and operation of condotel management.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2019.

2 Equity and paid-up share capital ratio

The consolidated financial statements as at 31 December 2018 show that the equity is equal to 35.35 percent of the paid-up share capital with any discount on share capital deducted. This financial ratio is less than 50 percent which will mean that the Stock Exchange of Thailand (SET) has posted a C (Caution) sign constantly on the Company's securities since 16 August 2018 in accordance with the Regulation of the SET: Measure in case of Events that may affect the Listed Companies' Financial Condition and Business Operation B.E. 2561 (2018). The Company convened a meeting on 31 August 2018 to provide information and decide on a plan to deal with this event with shareholders, investors and concerned parties. The Company's management is in the process of resolving C (Caution) sign and expected to succeed within second quarter of 2019.

3 Financial position and business plan

The Group has experienced continuous operating losses for 2 years, and the consolidated and separate financial statements for the year ended 31 December 2018, present a net loss amounting to Baht 302.95 million and Baht 303.25 million, respectively (2017 : Baht 113.22 million and Baht 80.57 million, respectively). As at 31 December 2018, the Group has deficits on the consolidated and separate financial statements amounting to Baht 1,098.80 million and Baht 1,027.12 million, respectively (2017 : Baht 794.82 million and Baht 722.84 million, respectively). The consolidated financial statements as at 31 December 2018 show that the equity is equal to 35.35% of the paid-up share capital with any discount on share capital deducted, which means that the Stock Exchange of Thailand (SET) has posted a C (Caution) sign constantly on the Company's securities, as explained in Note 2. However, as at 31 December 2018, the Group has issued and paid-up share capital of Baht 1,999.90 million (2017 : Baht 1,499.93 million). This resulted in equity in the consolidated and separate financial statements amounting to Baht 600.72 million and Baht 672.40 million, respectively (2017 : Baht 705.12 million and Baht 777.10 million, respectively).

The losses for 2 continuous years led to deficits on the financial statements as explained above and the C (Caution) sign posted constantly on the Company's securities. This means the Group is limited in its requests for financial support from financial institutions in order to develop the Group's ongoing and future projects. The Group has a large amount of liability and commitment to pay within one year, in order to continue its operation. These liabilities and commitments were incurred from the purchase of land, developing real estate, borrowings and related interest.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

3 Financial position and business plan (Cont'd)

Currently, Group management is coordinating to get funding from non-bank financial institutions, as disclosed in Note 43 and financing through the sale of the Group's outstanding land and real estate for sale and some portions of land and real estate under development. Management is also considering the suitability and possibility of getting investors or domestic or overseas funds to participate in the Group's developing projects, in order to provide financing capital to develop the Group's ongoing and future projects. Management has the plans below for land and real estate for sale and under development:

- Group management has a plan to accelerate the sale of all outstanding land and real estate for sale by November 2019. There are many sales acceleration strategies such as promoting the project focusing on overseas customers, using sales agents, and adjusting the selling price to be consistent with the current economy. As at 28 February 2019, the Group has outstanding land real estate for sale, which is a condominium, 22 units out of total 196 units (31 December 2018: 26 units)
- For land and real estate under development which the construction will be finished within 2019, Group management has plans to accelerate the process of signing sale and purchase agreements. There are many strategies such as promoting the project in many channels, product displays, assigning more sales agents, and adjusting the selling price in some areas to be consistent with the current economy. Outstanding unsigned contracts for land and real estate under development, for which the construction will be finished in 2019 as of 28 February 2019 was 9 units of villas out of a total 34 villas and 45 condominiums out of total 107 units (31 December 2018: 9 units and 46 units, respectively)
- For some portions of land and real estate under development, Group management is under negotiation process to sale these portions with interested parties. The total amount expected from these sales is approximately Baht 2.24 Billion. Group management expects all these land and real estate under development to be sold within quarter 3 of 2019.

The Group's financial statements for the year ended 31 December 2018 were prepared on the basis of continuing operations in the assumption that the Group will have working capital to be used for ongoing and future projects from receiving financial support from the non-bank financial institutions, and the disposal of outstanding land and real estate for sale and under development. Also, from the successful negotiations with investors or domestic and overseas funds who will co-invest with the Group. The appropriateness of the assumptions is based on there being successful negotiations to get financial support both domestically and overseas. Group management is confident that it will succeed, because the Group's land and real estate are in good locations and there is interest by many investors.

4 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

4.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except short-term investments which are carried at fair value as disclosed in Note 5.2.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 6.

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year (Note 8).

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

4 Accounting policies (Cont'd)

4.2 Revised financial reporting standards and related interpretations

4.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

TAS 7 (revised 2017)	Statement of cash Flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that.

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The Group's management assessed and considered that the above revised standards do not have a significant impact on the Group.

4.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

4.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

4 Accounting policies (Cont'd)

4.2 Revised financial reporting standards and related interpretations (Cont'd)

4.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

4.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

4.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TFRS 2 (revised 2018)	Share-based Payment
TFRS 4 (revised 2018)	Insurance Contracts
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2, the amendments clarify;

- The measurement basis for cash-settled share-based payments, vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the cash-settled share-based payment at the measurement date. Instead, vesting conditions, other than market conditions, shall be taken into account by adjusting the number of awards included in the measurement of the liability arising from the transaction.
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature, and
- The accounting for modifications that change an award from cash-settled to equity-settled.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2018

4 Accounting policies (Cont'd)

4.2 Revised financial reporting standards and related interpretations (Cont'd)

4.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

4.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards. (Cont'd)

TFRS 4 has been amended to provide insurance companies an optional exemption from compliance with TFRS 9 and TFRS 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines to be issued by the Federation of Accounting Professions (upon announcement) until TFRS 17 becomes effective.

TAS 28, the amendment clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

The TFRIC 22 interpretation provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

4.2.2.3 The Group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019.

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 above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

4 Accounting policies (Cont'd)

4.2 Revised financial reporting standards and related interpretations (Cont'd)

4.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

4.2.2.3 The Group of financial reporting standards related to financial instruments is effective for annual periods beginning on or after 1 January 2020. They comprise accounting standards and financial reporting standards as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Cont'd)

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
  - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
  - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
  - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
  - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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4 Accounting policies (Cont'd)

4.3 Group Accounting - Investments in subsidiaries

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Separate financial statement

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of Group's principal subsidiaries is set out in Note 17.

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4 Accounting policies (Cont'd)

4.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. 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 profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the profit and loss, any exchange component of that gain or loss is recognised in the profit or loss.

4.5 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

4.6 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in the profit or loss.

4.7 Real estate development costs

Real estate development cost are stated at the lower of cost and net realisable value. Cost is determined by the specific method. Costs include cost of land, development costs, construction cost, infrastructure and related borrowing cost (Note 4.14).

The Group recognises real estate development costs as cost of sales when there is the transfer of title ownership to the buyer.

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4 Accounting policies (Cont'd)

4.8 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.

3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.

4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

4.9 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and an allowance for impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred

Depreciation on plant and equipment is calculated using the straight line method, to allocate their cost to their residual values over their estimated useful lives as follows:

Office unit	30 years
Office unit improvement	10 years
Furniture and fixtures and office equipment	3 - 5 years
Sale office building and sample room	2 - 5 years
Vehicles	8 years
Yachts	20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, of the end of each reporting period.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 4.11).

Gains or losses on disposals of plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss.

4 Accounting policies (Cont'd)

4.10 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 3 years.

Trademark licences

Separately acquired trademark licences are shown at historical cost. Trademark licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademark licences over their estimated useful lives 6 years.

4.11 Impairment of assets

Assets that have an indefinite useful life, i.e. goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

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4 Accounting policies (Cont'd)

4.12 Current and deferred income taxes (Cont'd)

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4.13 Leases

Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding 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 so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where the Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

4.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequentially stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

4 Accounting policies (Cont'd)

4.14 Borrowings (Cont'd)

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.15 Employee benefits

4.15.1 Post-employment

The Group operate various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

4.15.1.1 Defined contribution

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

4.15.1.2 Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

4.15.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within scope of TAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

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4 Accounting policies (Cont'd)

4.16 Provisions

Provision - general

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain.

Provision for guaranteed returns

The liability is related to the rental management program the Group provides to customers when the Group has sold residences/ villas with guaranteed returns option. The Group has recorded provision for guaranteed returns when the Group considers that expected rental income in the future guaranteed period will be lower than the guaranteed amounts.

Provision for delivery delay

The Group recognises the estimated liability to compensate for delivery delay at the statement of financial position date. The provision is calculated based on the contractual obligation arised from a work-completion delay and the probability of compensation payment.

4.17 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any companies within the Group purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company' s equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

4.18 Financial assets and financial liabilities

Financial assets carried on the statement of financial position include cash and cash equivalents, short-term investments, trade and other receivables, short-term loans, certain parts of other current assets, restricted deposits at financial institutions, and other non-current assets. Financial liabilities carried on the statement of financial position include short-term borrowings, trade and other accounts payable, certain parts of other current liabilities, long-term borrowings from financial institutions, liability under finance lease agreements and debentures. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

4 Accounting policies (Cont'd)

4.19 Revenue recognition

Revenue comprises the fair value for the consideration received or receivable for the sale and services in the ordinary course of the Group's activities net of output tax, rebates and discounts, and after eliminating sales and service with the Group for the consolidated financial statements.

Revenue from sales of land and real estate is recognised when significant risks and rewards of ownership of the property are transferred to the buyer. The Group does not recognise revenue when sale of the property is made with long-term guarantee of rental income or with buy-back condition until such condition ceases. Installments received under the contract but not yet recognised as revenues are recorded as "Deposits and advances received from customers" or "Unearned revenue".

Revenue from decoration services is recognised based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed. Percentage of completion is measured by comparing the relationship costs incurred for work performed to date with the total estimated costs for the contract. When it is probable that total costs will exceed total revenue, the expected loss is recognises as expense immediately. Service costs incurred during the year in connection with future activity are excluded in cost of services and shown as work in progress, under real estate costs in the statement of financial position. The aggregate of the costs incurred and the profit (loss) recognised on each contract is compared against the billings up to the year end. Where the total costs incurred and recognised profit (less recognised losses) exceed total billings, the balance is shown as asset, under "Accrued income". Where total billings exceed total costs incurred plus recognised profits (less recognised losses), the balance is shown as liability, under "Advances received from customers".

Management income is recognised as revenue when the service is rendered.

Rental income is recognised as income over the lease period.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate and contract rate over the period to maturity, when it is determined that such income will accrued to the Group.

Other income is recognised on an accrual basis when the right to receive payment is established.

4.20 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer that makes strategic decisions. Real estate development business is internally reported as one operating segment information.

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5 Financial risk management

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Risk management is carried out by Group management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

5.1.1 Foreign exchange risk

The Group has no significant exposure to foreign exchange risk due to there are no significant financial assets and liabilities denominated in foreign currency. As a result, the Group considers that it is not necessary to use derivative financial instruments to hedge such risk since management believes that future movements in market foreign exchange will not materially affect the Group's operating results.

5.1.2 Interest rate risk

The Group has normal exposure to interest rate risk, which relates primarily to deposits at financial institutions and borrowings from financial institutions. The Group borrows at both fixed and floating rates of interest to finance its operations.

5.1.3 Credit risk

Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group's large number of customers in a variety of businesses. Deposit transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution. Due to these factors, management believes that there is no significant credit risk.

5.1.4 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining in funding by keeping committed credit lines available.

5.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 inputs : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 inputs : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 inputs : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at 31 December 2018 and 2017, the Group's financial assets that are measured at fair value as follows:

	Consolidated and Separate financial statements	
	Level 1	
	2018 Baht	2017 Baht
Short-term investments		
Investment units	197,190	216,935

See Note 27 for fair value disclosures of the long-term borrowings that are measured at fair value.

Financial instruments in level 1

The fair value of the investments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an Arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

5 Financial risk management (Cont'd)

5.2 Fair value estimation (Cont'd)

Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

There were no transfers between levels 1 and 2 during the years.

Since the majority of the financial assets are short-term and that the loans and borrowings carry interest at rates close to current market rates, the fair values of the Group's financial assets and financial liabilities is approximately to their carrying amounts.

6 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The result of accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

6.1.1 Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Group considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Group's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on the Group's reported financial position and results of operations.

6.1.2 Provision for guaranteed returns

In determination of estimated provision amount of guaranteed returns the Group has provided to customers, the management has taken some principal assumptions into consideration such as occupancy rate of residences and rental price rate. Any changes in these principal assumptions will have an impact on the amount of the liability recorded in the statement of financial position.

In formation of principal assumptions for provision for guaranteed returns is disclosed in Note 30.

6.1.3 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net period cost for employee benefits include the discount rate and the future salary increase rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related employee benefit liability.

Additional information of other key assumptions for employee benefit obligations is disclosed in Note 34.

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7 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

8 Reclassifications

The comparative figures in the consolidated and separate financial statements for the year ended 31 December 2017 have been reclassified to conform with changes in presentation in the current year, which the management believed that it is more appropriate.

The effect of the reclassifications on the consolidated and separate statements of financial position as at 31 December 2017 are summarised below:

	Consolidated financial statements		
	Before reclassification Baht	Reclassification Increase (Decrease) Baht	After reclassification Baht
Statement of financial position for the year ended 31 December 2017			
Land and real estate under development	1,297,907,017	(17,376,066)	1,280,530,951
Intangible assets (net)	284,890	3,820,300	4,105,190
Other current assets	21,203,485	13,555,766	34,759,251
Short-term investments (net)	79,261,697	(79,044,762)	216,935
Restricted short-term investments (net)	-	79,044,762	79,044,762

	Separate financial statements		
	Before reclassification Baht	Reclassification Increase (Decrease) Baht	After reclassification Baht
Statement of financial position for the year ended 31 December 2017			
Land and real estate under development	894,091,720	(17,376,066)	876,715,654
Intangible assets (net)	284,890	3,820,300	4,105,190
Other current assets	21,203,485	13,555,766	34,759,251
Short-term investments (net)	79,261,697	(79,044,762)	216,935
Restricted short-term investments (net)	-	79,044,762	79,044,762

The Group has not presented the reclassification of statement of financial position for the year ended 31 December 2016 as there is no any effect to the financial statements.

9 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	224,059	5,109,824	211,290	5,097,056
Cheque on hand	-	175,606	-	175,606
Deposits held at call with banks				
- current accounts	96,045	90,885	76,045	90,885
- savings accounts	13,306,086	77,178,392	11,416,920	75,571,250
Total cash and cash equivalents	13,626,190	82,554,707	11,704,255	80,934,797

As at 31 December 2018, the interest rate of savings accounts were 0.250% to 0.625% per annum (2017 : 0.375% to 0.500% per annum).

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10 Short-term investments (net)

Short-term investments as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Investment units - short-term debt security mutual fund which are classified as available-for-sale investment	133,216	133,216	133,216	133,216
Investment units - equity security mutual fund which are classified as available-for-sale investment	100,000	100,000	100,000	100,000
Add Unrealised gain (loss) on measurement of available-for-sale investment	(36,026)	(16,281)	(36,026)	(16,281)
	197,190	216,935	197,190	216,935
Notes receivable	80,000,000	80,000,000	80,000,000	80,000,000
Less Deferred interest	(596,264)	(955,238)	(596,264)	(955,238)
	79,403,736	79,044,762	79,403,736	79,044,762
Total short-term investments (net)	79,600,926	79,261,697	79,600,926	79,261,697

During the years ended 31 December 2018 and 2017, the movements of short-term investments are as follows:

	Consolidated financial statements		Separate financial statements	
	2018		2017	
	Available-for-sale Baht	Notes receivable Baht	Available-for-sale Baht	Notes receivable Baht
Opening balance	216,935	79,044,762	69,576	-
Additions during the year	-	-	400,000,000	80,000,000
Disposals during the year	-	-	(400,000,000)	-
Realised gain from disposal of investment	-	-	133,216	-
Unrealised gain on measurement of available-for-sale investment	(19,745)	-	14,143	-
Deferred interest from notes receivable	-	(2,381,756)	-	(1,688,177)
Deferred interest amortised during the year	-	2,740,730	-	732,939
Closing balance	197,190	79,403,736	216,935	79,044,762

As at 31 December 2018, the Company's short-term investments totaling of Baht 79.60 million comprise of investment units of domestic asset management company's mutual fund which is classified as available-for-sale investment and rolled over notes receivable amounting to Baht 0.20 million and Baht 79.40 million, respectively (2017 : investments totaling of Baht 79.26 million comprise of investment units of domestic asset management company's mutual fund which is classified as available-for-sale investment and notes receivable amounting to Baht 0.22 million and Baht 79.04 million, respectively). Fair value measurement of available-for-sale investment is the net asset value referred by the price of the investment units announced by fund manager as at the last operating date of the end of reporting period.

As at 31 December 2018 and 2017, notes receivable with the face value of Baht 80 million have been pledged as collateral for debentures issuance (Note 33) according to an investor sourcing agreement made with agents. The Group present these notes receivable as restricted short-term investments (net).

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11 Trade and other receivables (net)

Trade and other receivables as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Advances to contractor (net)	28,816,447	12,154,263	28,816,447	12,154,263
Interest receivable - other parties	1,903,597	1,721,727	1,903,597	1,721,727
Less Allowance for doubtful account	(1,885,663)	-	(1,885,663)	-
Interest receivable - other parties (net)	17,934	1,721,727	17,934	1,721,727
Other accounts receivable				
- related parties (Note 24.2)	-	-	-	8,649,603
- other parties	6,486,125	2,972,170	6,486,125	2,972,170
Less Allowance for doubtful account	(4,815,000)	-	(4,815,000)	-
Other accounts receivable (net)	1,671,125	2,972,170	1,671,125	11,621,773
Prepaid expenses	3,741,212	3,702,407	3,741,212	3,702,407
Prepaid interests				
- for short-term loans from other parties	-	57,509	-	57,509
- for land acquisition	2,066,655	-	2,066,655	-
Advance payments				
- other partied (net)	2,224,842	412,213	1,474,842	412,213
- related parties (Note 24.2)	-	-	2,760,000	-
Total trade and other receivables (net)	38,538,215	21,020,289	40,548,215	29,669,892

12 Short-term loans (net)

Short-term loans as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial informations		Separate financial informations	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term loans	6,080,900	6,080,900	6,080,900	6,080,900
Less Allowance for doubtful account	(6,080,900)	-	(6,080,900)	-
Total short-term loans (net)	-	6,080,900	-	6,080,900

The movements of short-term loans to other parties for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated and separate financial informations	
	2018 Baht	2017 Baht
Opening balance	6,080,900	8,402,800
Additions	-	-
Repayments	-	(2,321,900)
Allowance for doubtful account during the year	(6,080,900)	-
Closing balance	-	6,080,900

As at 31 December 2018 and 2017, short-term loans are short-term loans to a company, bearing an interest rate at MLR per annum. The loans are due for repayment at call.

During the year ended 31 December 2018, there are uncertain situations of this short-term loans repayment. Thus, the Company set an allowance for doubtful account for the whole amount, both of principal and interest.

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13 Land and real estate for sales

Land and real estate for sales as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Residence units	156,751,744	259,531,064	156,751,744	259,531,064
Total land and real estate for sales	156,751,744	259,531,064	156,751,744	259,531,064

During 2018, the cost of land and real estate recognised as cost of sales in the statement of comprehensive income is Baht 102.05 million (2017 : Baht 155.41 million).

As at 31 December 2017, the assets amounting to Baht 19.85 million and Baht 26.67 million were pledged as collateral for bills of exchange from financial institutions and sale with right of redemption liabilities, respectively. They have been redeemed in January 2018.

As at 31 December 2018, the assets amounting to Baht 106.11 million and Baht 44.46 million were pledged as collateral for long-term borrowings from financial institutions and sale with right of redemption liabilities, respectively. Some part of them have been redeemed and transferred proprietary right to customer amounting to Baht 24.55 million in January and February 2019.

14 Land and real estate under development

Land and real estate under development as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Land	1,650,850,321	1,072,483,921	1,282,997,486	704,631,086
Construction and development costs	576,582,039	199,410,471	525,367,448	165,384,339
Borrowing costs and facility fees	12,510,013	8,636,559	9,249,754	6,700,229
Total land and real estate under development	2,239,942,373	1,280,530,951	1,817,614,688	876,715,654

The movements of land and real estate under development for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	1,280,530,951	890,478,111	876,715,654	487,430,216
Additions:				
Land	578,366,399	358,624,547	578,366,399	378,812,047
Construction and development costs	381,891,567	81,474,059	364,703,108	62,476,737
Borrowing costs and facility fees	3,873,454	6,787,516	2,549,525	4,851,186
Transfer to land and real estate for sales	(4,719,998)	(56,833,282)	(4,719,998)	(56,854,532)
As at 31 December	2,239,942,373	1,280,530,951	1,817,614,688	876,715,654

During the year ended 31 December 2018, the Group and the Company recorded borrowing costs from general borrowings as land and real estate under development amounting to Baht 3.87 million and Baht 2.55 million, respectively (2017 : Baht 6.79 million and Baht 4.85 million, respectively). A capitalisation rate of 15.49% (2017 : 7.89%) was applied, using the weighted average of the borrowing costs applicable to the general pool.

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14 Land and real estate under development (Cont'd)

Commitments

As at 31 December 2018 and 2017, land and real estate under development of the Group were pledged as collateral against borrowings from financial institutions, bills of exchange and debentures. The cost of those land and real estate under development that were pledged as collateral are as follows:

	Consolidated financial statements		Separate financial statements	
	Cost 2018 Million Baht	Cost 2017 Million Baht	Cost 2018 Million Baht	Cost 2017 Million Baht
For short-term borrowings from financial institutions	1,123.81	358.62	1,123.81	358.62
For secure bills of exchange	69.70	-	69.70	-
For long-term borrowings from financial institutions	144.04	101.63	144.04	101.63
For debentures	563.84	563.84	196.01	196.01

15 Other current assets

Other current assets as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial informations		Separate financial informations	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deposits - for purchase assets	-	20,000,000	-	20,000,000
- other	-	20,000	-	20,000
Prepaid sales commission	37,094,839	13,555,766	37,094,839	13,555,766
Value added tax receivable	537,713	1,708,282	537,713	1,708,282
Undue input VAT	137,453	41,065	137,453	41,065
Undue output VAT	-	(565,862)	-	(565,862)
Others	214,894	-	214,894	-
Total other current assets	37,984,899	34,759,251	37,984,899	34,759,251

The Company received deposits for purchase assets amounting to Baht 20 million in January 2018 due to agreement cancellation.

16 Restricted deposits at a bank

As at 31 December 2018, restricted deposits at a bank represents 1-year fixed deposits with interest rate 1.375% per annum. The fixed deposits are held as collateral against bank guarantees issued on behalf of the Company by a bank (2017 : 1.375% per annum) (Note 41).

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17 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2018 and 2017 comprise the following:

			2018			
Subsidiaries	Nature of business	Country of incorporation	%Ownership interest	%Voting power	Paid-up capital (Baht)	Cost method (Baht)
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	100	100	465,800,000	465,799,700
Apex Asset Co., Ltd.	Real estate	Thailand	100	100	1,000,000	999,500
Andaman Hotel Co., Ltd	Real estate	Thailand	100	100	1,250,000	1,249,925
Long Beach Hotel Co., Ltd	Real estate	Thailand	100	100	1,250,000	1,249,925
						469,299,050

			2017			
Subsidiaries	Nature of business	Country of incorporation	%Ownership interest	%Voting power	Paid-up capital (Baht)	Cost method (Baht)
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	100	100	449,080,500	449,080,200
Apex Asset Co., Ltd.	Real estate	Thailand	100	100	1,000,000	999,500
						450,079,700

The movements of investment in subsidiaries for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance	-	-	450,079,700	20,999,100
Additions during the year	-	-	19,219,350	429,080,600
Disposals during the year	-	-	-	-
Closing balance	-	-	469,299,050	450,079,700

At the Extraordinary shareholder's meeting of Grand Bay Hotel Co., Ltd., the Company's subsidiary, held on 14 February 2017, it passed a resolution to increase the authorised share capital from 200,000 ordinary shares with a par value of Baht 100 per share to 2,500,000 ordinary shares with a par value of Baht 100 per share. On 14 February 2017, the subsidiary received 2,300,000 additional shares at Baht 25 per share, totaling Baht 57.50 million and registered increase in share capital with the Ministry of Commerce on 20 February 2017. The subsidiary received remaining paid-up shares at Baht 75 per share, totaling Baht 172.50 million from the Company in May 2017.

At the Executive Committee's meeting no. 7/2017 held on 12 October 2017, it passed a resolution to increase the authorised share capital of Grand Bay Hotel Co., Ltd., the Company's subsidiary, from 2,500,000 ordinary shares with a par value of Baht 100 per share to 5,000,000 shares with a par value of Baht 100 per share. The subsidiary received for 2,500,000 additional shares at Baht 25 per share, totalling Baht 62.50 million. The subsidiary registered increase in share capital with the Ministry of Commerce on 12 October 2017. The subsidiary received remaining paid-up shares at Baht 54.63 per share, totaling Baht 136.58 million from the Company in November and December 2017.

During 2018, Grand Bay Hotel Co., Ltd., the Company's subsidiary, received remaining paid-up shares at Baht 6.69 per share from increase the authorised share capital totaling 2,500,000 ordinary shares, totaling Baht 16.72 million.

At the Board of Directors' meeting no. 11/2018 held on 26 September 2018, it passed a resolution to establish 2 new subsidiaries which are Andaman Hotel Co., Ltd. and Long Beach Hotel Co., Ltd. , each has Baht 5 million registered capital, comprising of 50,000 ordinary shares, with a par value of Baht 100 per share. The principal of business operations of these new subsidiaries is to support the project operation in Krabi, both companies registered new company with the Ministry of Commerce on 8 October 2018. The 2 new subsidiaries received paid-up for 50,000 ordinary shares at Baht 25 per share totaling Baht 1.25 million in November and December 2018.

18 Advance payments for business investment

On 29 April 2016, the Company entered into a share purchase contract with a company and its major shareholder to acquire all shares of such company for 753,420 shares, totaling Baht 75.34 million with a management fee of Baht 68.45 million to its major shareholder. In addition, the Company undertakes to repay debt of such company under rehabilitation plan amounting to Baht 541.80 million. These are for investment in hotel project of such company.

On 29 April 2016, the Company has received the transfer of shares from the major shareholder of such company for 572,500 ordinary shares which represent 75% of total shares. However, at the present the Company does not control such company in regard to operational and financial managements as such company is being managed by the managers of rehabilitation plan, who have the authority in management of the entity under a rehabilitation plan and its assets according to the law of Bankruptcy Act. Accordingly, such company is not considered as the Company's subsidiary.

On 7 October 2016, the Company entered into an additional memorandum to the share purchase contract to preserve the right of asset purchase when the all share purchase is unattainable. The advances that the Company has paid to such company will be a part of the asset payment.

At as 31 December 2017, the Company has advanced to the major shareholder for share purchase for Baht 57.25 million and to such company for Baht 72.47 million for debt settlement and Baht 25.86 million for business development.

At the Board of Directors meeting no.8/2018 held on 20 April 2018, it passed a resolution to acquire assets (land and building) of such company instead of acquire all shares of such company according to the preserve the right of asset purchase additional memorandum by deduct the advances that the Company have paid to such company as of 31 December 2017 for share purchase for Baht 57.25 million and for debt settlement for Baht 72.47 million with cost of asset and transfer the assets ownership to the Company which expected to complete the ownership transferring in May 2018 and will start operation in September 2019.

On 31 May 2018, the Company acquire assets (land and building) by deducted the advances that the Company have paid to such company as of 31 May 2018 for share purchase for Baht 57.25 million, for debt settlement for Baht 101.47 million and for business development for Baht 41.37 million offset with the cost of asset. The Company classify acquired assets as land and real estate under development followed the Company's objective of the asset acquisition.

19 Land and real estate sold with long-term income guarantee/buy-back condition

As at 31 December 2018 and 2017, the Company has land and real estates sold with long-term income guarantee/buy back condition amounting to Baht 58,659,995. The Company will recognise revenue from sales of those lands and real estates at the end of guarantee period in the contracts.

20 Plant and equipment (net)

The movements of plant and equipment (net) for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated and separate financial statements (Baht)						
	Office unit and office improvement	Furniture and fixtures, office equipment	Sale office building and sample room	Vehicles and yachts	Shop equipment and furniture	Construction in progress	Total
As at 1 January 2017							
Cost	31,074,278	10,237,781	717,208	52,390,368	-	-	94,419,635
Less Accumulated depreciation	(12,786,563)	(8,673,696)	(423,579)	(34,870,806)	-	-	(56,754,644)
Net book amount	18,287,715	1,564,085	293,629	17,519,562	-	-	37,664,991
Year ended 31 December 2017							
Opening net book amount	18,287,715	1,564,085	293,629	17,519,562	-	-	37,664,991
Additions	1,265,374	1,738,191	777,973	-	-	2,982,412	6,763,950
Write-off - cost	-	(9,580)	-	-	-	-	(9,580)
- accumulated depreciation	-	9,578	-	-	-	-	9,578
Disposals - cost	-	-	(50,932)	-	-	-	(50,932)
- accumulated depreciation	-	-	50,931	-	-	-	50,931
Depreciation charge	(917,469)	(583,086)	(144,488)	(1,491,090)	-	-	(3,136,133)
Closing net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412	41,292,805
As at 31 December 2017							
Cost	32,339,652	11,966,392	1,444,249	52,390,368	-	2,982,412	101,123,073
Less Accumulated depreciation	(13,704,032)	(9,247,204)	(517,136)	(36,361,896)	-	-	(59,830,268)
Net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412	41,292,805

20 Plant and equipment (net) (Cont'd)

The movements of plant and equipment (net) for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

	Consolidated and separate financial statements (Baht)						
	Office unit and office improvement	Furniture and fixtures, office equipment	Sale office building and sample room	Vehicles and yachts	Shop equipment and furniture	Construction in progress	Total
As at 1 January 2018							
Cost	32,339,652	11,966,392	1,444,249	52,390,368	-	2,982,412	101,123,073
Less Accumulated depreciation	(13,704,032)	(9,247,204)	(517,136)	(36,361,896)	-	-	(59,830,268)
Net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412	41,292,805
Year ended 31 December 2018							
Opening net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412	41,292,805
Additions	-	1,939,092	1,117,239	-	258,605	767,609	4,082,545
Write-off - cost	-	(8,453)	-	-	-	-	(8,453)
- accumulated depreciation	-	8,451	-	-	-	-	8,451
Transfers	-	-	-	-	3,205,856	(3,205,856)	-
Depreciation charge	(1,001,183)	(1,130,059)	(320,382)	(1,491,090)	(640,352)	-	(4,583,066)
Closing net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	544,165	40,792,282
As at 31 December 2018							
Cost	32,339,652	13,897,031	2,561,488	52,390,368	3,464,461	544,165	105,197,165
Less Accumulated depreciation	(14,705,215)	(10,368,812)	(837,518)	(37,852,986)	(640,352)	-	(64,404,883)
Net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	544,165	40,792,282

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20 Plant and equipment (net) (Cont'd)

Leased assets included above, where the Group is a lessee under finance lease, comprise vehicles and equipment:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost-capitalised finance leases	14,893,000	14,893,000	14,893,000	14,893,000
Less Accumulated depreciation	(7,576,542)	(7,513,937)	(7,576,542)	(7,513,937)
Net book amount	7,316,458	7,379,063	7,316,458	7,379,063

During 2018, depreciation expenses in the consolidated and separate financial statements amounting to Baht 4,583,066 (2017 : Baht 3,136,133) were recorded in administrative expenses.

21 Intangible assets (net)

The movements of intangible assets (net) for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated and separate financial statements		
	Trademark licenses Baht	Computer software Baht	Total Baht
As at 1 January 2017			
Cost	-	187,250	187,250
Less Accumulated amortisation	-	(187,249)	(187,249)
Net book value	-	1	1
For the year ended 31 December 2017			
Opening net book amount	-	1	1
Additions	3,820,300	301,098	4,121,398
Amortisation charge	-	(16,209)	(16,209)
Closing net book value	3,820,300	284,890	4,105,190
As at 31 December 2017			
Cost	3,820,300	488,348	4,308,648
Less Accumulated amortisation	-	(203,458)	(203,458)
Net book value	3,820,300	284,890	4,105,190
For the year ended 31 December 2018			
Opening net book amount	3,820,300	284,890	4,105,190
Additions	14,145,530	56,710	14,202,240
Amortisation charge	(4,491,458)	(106,017)	(4,597,475)
Closing net book value	13,474,372	235,583	13,709,955
As at 31 December 2018			
Cost	17,965,830	545,058	18,510,888
Less Accumulated amortisation	(4,491,458)	(309,475)	(4,800,933)
Net book value	13,474,372	235,583	13,709,955

During 2018, Amortisation charge in the consolidated and separate financial statements are Baht 106,017 and Baht 4,491,458 are recorded in administrative expenses and selling expenses, respectively (2017 : Baht 16,209 is recorded in administrative expenses).

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22 Deferred income tax (net)

As at 31 December 2018 and 2017, deferred income tax are calculated in full on temporary differences under the liability method using principal tax rates that are expected to be applied when the related deferred income tax is realised.

Deferred income tax (net) as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	9,086,116	11,737,085	9,086,116	11,737,085
Deferred tax assets to be recovered after more than 12 months	9,758,080	9,561,997	9,758,080	9,561,997
Total deferred tax assets	18,844,196	21,299,082	18,844,196	21,299,082
Deferred tax liabilities:				
Deferred tax liabilities to be settled after more than 12 months	(27,423,168)	(26,526,003)	(13,288,473)	(12,391,308)
Total deferred tax liabilities	(27,423,168)	(26,526,003)	(13,288,473)	(12,391,308)
Deferred income tax (net)	(8,578,972)	(5,226,921)	5,555,723	8,907,774

The movements of deferred income tax (net) for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	(5,226,921)	17,744,026	8,907,774	17,744,026
Credited (charged) to the profit or loss (Note 39)	(3,614,522)	(23,278,044)	(3,614,522)	(9,143,349)
Credited (charged) to other comprehensive income	262,471	307,097	262,471	307,097
As at 31 December	(8,578,972)	(5,226,921)	5,555,723	8,907,774

22 Deferred income tax (net) (Cont'd)

Deferred income tax and deferred tax charged in the statement of comprehensive income are attributable to the following items:

	Consolidated financial statements						
	1 January 2017 Baht	Credited (charged) to the profit or loss Baht	Credited (charged) to other comprehensive income Baht	31 December 2017 Baht	Credited (charged) to the profit or loss Baht	Credited (charged) to other comprehensive income Baht	31 December 2018 Baht
Deferred income tax							
Deferred tax assets							
Gain (loss) on measurement of investments	(1,311)	-	(2,828)	(4,139)	-	3,948	(191)
Unearned revenue and advance received from customers (net with real estate development costs)	15,707,734	2,848,954	-	18,556,688	(7,751,635)	-	10,805,053
Provision for delivery delay	987,238	(768,015)	-	219,223	(219,223)	-	-
Allowance for doubful accounts	-	-	-	-	3,087,715	-	3,087,715
Accrued bonus	-	-	-	-	1,305,322	-	1,305,322
Provision for guaranteed returns	-	-	-	-	922,904	-	922,904
Employee benefit obligations	1,903,937	313,448	309,925	2,527,310	(62,440)	258,523	2,723,393
	18,597,598	2,394,387	307,097	21,299,082	(2,717,357)	262,471	18,844,196
Deferred tax liabilities							
Finance lease liabilities	(853,572)	(146,985)	-	(1,000,557)	(50,283)	-	(1,050,840)
Prepaid sales commission	-	(3,475,213)	-	(3,475,213)	(3,943,755)	-	(7,418,968)
Debentures's Front end fees	-	(6,013,235)	-	(6,013,235)	2,644,253	-	(3,368,982)
Short-term borrowings fees from financial institutions	-	(1,902,303)	-	(1,902,303)	452,620	-	(1,449,683)
Loss from land selling between related parties	-	(14,134,695)	-	(14,134,695)	-	-	(14,134,695)
	(853,572)	(25,672,431)	-	(26,526,003)	(897,165)	-	(27,423,168)
Deferred income tax (net)	17,744,026	(23,278,044)	307,097	(5,226,921)	(3,614,522)	262,471	(8,578,972)

22 Deferred income tax (net) (Cont'd)

Deferred income tax and deferred tax charged in the statement of comprehensive income are attributable to the following items: (Cont'd)

	Separate financial statements						
	1 January 2017 Baht	Credited (charged) to the profit or loss Baht	Credited (charged) to other comprehensive income Baht	31 December 2017 Baht	Credited (charged) to the profit or loss Baht	Credited (charged) to other comprehensive income Baht	31 December 2018 Baht
Deferred income tax							
Deferred tax assets							
Gain (loss) on measurement of investments	(1,311)	-	(2,828)	(4,139)	-	3,948	(191)
Unearned revenue and advance received from customers (net with real estate development costs)	15,707,734	2,848,954	-	18,556,688	(7,751,635)	-	(10,805,053)
Provision for delivery delay	987,238	(768,015)	-	219,223	(219,223)	-	-
Allowance for doubful accounts	-	-	-	-	3,087,715	-	3,087,715
Accrued bonus	-	-	-	-	1,305,322	-	1,305,322
Provision for guaranteed returns	-	-	-	-	922,904	-	922,904
Employee benefit obligations	1,903,937	313,448	309,925	2,527,310	(62,440)	258,523	2,723,393
	18,597,598	2,394,387	307,097	21,299,082	(2,717,357)	262,471	18,844,196
Deferred tax liabilities							
Finance lease liabilities	(853,572)	(146,985)	-	(1,000,557)	(50,283)	-	(1,050,840)
Prepaid sales commission	-	(3,475,213)	-	(3,475,213)	(3,943,755)	-	(7,418,968)
Debentures's Front end fees	-	(6,013,235)	-	(6,013,235)	2,644,253	-	(3,368,982)
Short-term borrowings fees from financial institutions	-	(1,902,303)	-	(1,902,303)	452,620	-	(1,449,683)
	(853,572)	(11,537,736)	-	(12,391,308)	(897,165)	-	(13,288,473)
Deferred income tax (net)	17,744,026	(9,143,349)	307,097	8,907,774	(3,614,522)	262,471	5,555,723

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22 Deferred income tax (net) (Cont'd)

As at 31 December 2018 and 2017, the Group has the deductible temporary differences and unused tax losses but no deferred tax assets are recognised in the statement of financial position because the Group's managements considered that it is not probable the Group future taxable profit which the deferred tax assets can be utilised.

The deductible temporary differences and unused tax losses comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Temporary differences				
Allowance for doubtful accounts	-	2,657,010	-	2,657,010
Unused tax losses				
Tax losses expired 2018	-	37,300,133	-	37,300,133
Tax losses expired 2019	-	-	-	-
Tax losses expired 2020	2,183,168	2,183,168	-	-
Tax losses expired 2021	35,290,539	35,290,539	-	-
Tax losses expired 2022	210,708,885	210,708,885	121,875,166	121,875,166
Tax losses expired 2023	304,666,206	-	180,541,948	-

23 Other non-current assets

Other non-current assets as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial informations		Separate financial informations	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deposits - for purchase of land	189,430,113	-	189,430,113	-
- utilities	674,227	677,437	674,227	677,437
- constructions	40,000	40,000	40,000	40,000
Others	1,362,640	286,100	1,362,640	286,100
Total other non-current assets	191,506,980	1,003,537	191,506,980	1,003,537

During 2018, the Company entered into land sale and purchase agreement for land in Krabi, at an agreed price, totaling Baht 869.73 million. Some agreements already settled and transferred proprietary right amounting to Baht 69.70 million according to the movement in Note 14. The Company has made a deposit amounting to Baht 189.43 million for the unsettled agreements, remaining amount is disclosed as capital commitment in Note 41.

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24 Related party transactions

As at 31 December 2018, the majority of the Company's shares are held by Sampawakoop family by 33.71% (2017 : 32.71%) of the Company's authorised share capital. The significant investments in subsidiaries are set out in Note 17.

The relationships between the Company and related parties are as follows:

Individual/Related company's name	Relationship with the Company
Apex Asset Co., Ltd.	Common directors and direct shareholding
Grand Bay Hotel Co., Ltd.	Common directors and direct shareholding
Andaman Hotel Co., Ltd	Common directors and direct shareholding
Long Beach Hotel Co., Ltd	Common directors and direct shareholding
Spinnaker Holdings Co., Ltd.	Common directors and holding by majority shareholder
Thai Seri Property Co., Ltd.	Common directors and holding by majority shareholder
P.S.M. Development Co., Ltd.	Common directors and holding by majority shareholder
Kor Mountain Agricultural Development Co., Ltd.	Common directors and holding by majority shareholder
Open Construction Co, Ltd.	Common directors and shareholders
Grande Asset Development Co., Ltd.	Common directors and shareholders
The Management of Silom Plaza Building Co., Ltd.	Common directors and shareholders
P.S.M. Development Limited	Common directors and shareholders
Grand Pacific Hotel Ltd.	Common directors and shareholders
Thanwarin Property Co., Ltd.	Common directors and shareholders
Narai Holding Asset Manager Corporation Co., Ltd.	Common directors and shareholders
Liana Co., Ltd.	Common directors and shareholders
Vana Nava Co., Ltd.	Common directors and shareholders
Worldwide Asset Development Co., Ltd.	Common directors and shareholders
Silom Shopping Plaza Co., Ltd.	Common directors and shareholders
Sukhumvit Shopping Plaza Co., Ltd.	Common directors and shareholders
Stamford Business Administration Co., Ltd.	Common directors and shareholders
Island Lagoon Holdings Co., Ltd.	Common directors and shareholders
Brooker Group Plc.	Relationship by shareholder

During the years, the Group has business transactions with its subsidiaries and related parties. Such transactions, which have been concluded on the terms and basis as determined by the Company and those companies and are in the normal course of business, are summarised below:

24.1) Significant transactions

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Purchase of land				
Grand Bay Hotel Co., Ltd.	-	-	-	20,187,500
Revenue from right to hold the land				
Apex Asset Co., Ltd.	-	-	-	4,400
Interest income				
Grand Bay Hotel Co., Ltd.	-	-	-	17,407,046
Interest expenses				
Related parties (Shareholders/directors)	2,171,174	2,944,528	2,171,174	2,944,528

During 2017, the Company purchased land from a related party, purchase price is agreed by both parties.

During 2017, interest income is charged to related parties at the rate of MLR+1.5% per annum.

During 2018, interest expense is paid to related parties at the rate of 2.5% - 4.0% per annum (2017 : 2.5% per annum).

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24 Related party transactions (Cont'd)

24.2) Outstanding balances

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Other account receivable				
Subsidiaries - Grand Bay Hotel Co., Ltd. (Note 11)	-	-	-	8,649,603
Advance payments				
Subsidiaries – Long Beach Hotel Co., Ltd. (Note 11)	-	-	2,760,000	-
Deposits and advances received from customers				
Related parties (Directors)	-	5,517,654	-	5,517,654
Accrued interest expenses				
Related parties (Shareholders/directors) (Note 25)	231,825	750,411	231,825	750,411

24.3) Short-term borrowings from related parties

Short-term borrowings from related parties as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Related parties (Shareholders/ directors) (Note 26)	75,000,000	9,000,000	75,000,000	9,000,000
	75,000,000	9,000,000	75,000,000	9,000,000

As at 31 December 2018 and 2017, borrowings from related parties have the following conditions:

Short-term borrowings from	Terms of payment	Interest rate per annum (%) 2018	Interest rate per annum (%) 2017	Collateral
Shareholders/director	At call	2.5 - 4.0	2.5	-

The movements of short-term borrowings from related parties for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	9,000,000	193,926,897	9,000,000	193,926,897
Add Addition	127,500,000	3,000,000	127,500,000	3,000,000
Less Repayments	(61,500,000)	(187,926,897)	(61,500,000)	(187,926,897)
As at 31 December	75,000,000	9,000,000	75,000,000	9,000,000

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24 Related party transactions (Cont'd)

24.4) Short-term loans to related parties

The movements of short-term loans to related parties for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Grand Bay Hotel Co., Ltd.				
As at 1 January	-	-	-	384,675,000
Add Additions	-	-	-	10,905,500
Less Repayments	-	-	-	(395,580,500)
As at 31 December	-	-	-	-

24.5) Key management compensation

Directors and managements' remuneration comprises salaries, other benefits, and other remuneration.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term employee benefits	26,118,398	22,315,534	26,118,398	22,315,534
Post-employee benefits	9,791,492	8,905,096	9,791,492	8,905,096
	35,909,890	31,220,630	35,909,890	31,220,630
Directors' remuneration				
Short-term employee benefits	2,180,000	1,470,000	2,180,000	1,470,000

25 Trade and other payables

Trade and other payables as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade accounts payable	231,903,314	21,913,091	222,210,176	18,308,461
Other accounts payable	44,040,043	29,384,388	44,040,043	29,384,388
Retentions payable	6,228,098	10,660,618	6,185,598	10,618,118
Intangible asset payable	9,915,680	-	9,915,680	-
Accrued interest expenses				
- related parties (Note 24.2)	231,825	750,411	231,825	750,411
- other parties	6,425,604	6,581,213	6,425,604	6,581,213
Accrued expenses	20,559,489	12,598,900	19,664,489	12,009,001
Accrued brand fee	740,990	515,549	740,990	515,549
Total trade and other payables	320,045,043	82,404,170	309,414,405	78,167,141

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26 Short-term borrowings

Short-term borrowings as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Short-term borrowings from				
- related parties (Note 24.3)	75,000,000	9,000,000	75,000,000	9,000,000
- bills of exchange	29,345,986	30,000,000	29,345,986	30,000,000
- sale with right of redemption	39,880,000	23,884,991	39,880,000	23,884,991
- financial institution	492,473,884	56,611,778	492,473,884	56,611,778
Total short-term borrowings	636,699,870	119,496,769	636,699,870	119,496,769

The movements of bills of exchange, sale with right of redemption liabilities and loan from a financial institution for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Bills of exchange				
Opening balance	30,000,000	215,000,000	30,000,000	215,000,000
Add Additions during the year	30,000,000	209,000,000	30,000,000	209,000,000
Less Repayments during the year	(30,000,000)	(293,000,000)	(30,000,000)	(293,000,000)
Transferred into debentures during the year	-	(101,000,000)	-	(101,000,000)
Deferred interest addition during the year	(930,944)	-	(930,944)	-
Amortisation of deferred interest during the year	276,930	-	276,930	-
Closing balance	29,345,986	30,000,000	29,345,986	30,000,000

As at 31 December 2018, bills of exchange to other parties bearing interest rate at 7.00% per annum (2017 : 7.25% per annum). Bills of exchange are due for repayment within May 2019 (2017 : within January 2018). These bills of exchange aval by the Company's director and secure by land in Krabi as disclosed in Note 14.

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Sale with right of redemption liabilities				
Opening balance	23,884,991	-	23,884,991	-
Add Additions during the year	50,000,000	27,019,241	50,000,000	27,019,241
Less Repayments during the year	(34,004,991)	(3,134,250)	(34,004,991)	(3,134,250)
Closing balance	39,880,000	23,884,991	39,880,000	23,884,991

As at 31 December 2017, 4 units of real estate for sales were pledged as collateral for sale with right of redemption with other parties, for the period of 6 months from 31 July 2017 baring interest rate at 15% per annum are due for repayment within January 2018.

As at 31 December 2018, 6 units of real estate for sales were pledged as collaterals for sale with right of redemption with a financial institution, for the period of 12 months from 10 April 2018.

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26 Short-term borrowings (Cont'd)

The movements of bills of exchange, sale with right of redemption liabilities and loan from a financial institution for the years ended 31 December 2018 and 2017 comprise the following: (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Borrowing from financial institutions				
Opening balance	56,611,778	-	56,611,778	-
Add Additions during the year	425,000,000	75,000,000	425,000,000	75,000,000
Less Borrowing fee during the year	(14,980,000)	(9,630,000)	(14,980,000)	(9,630,000)
Less Deferred interest addition during the year	(39,109,876)	(9,000,000)	(39,109,876)	(9,000,000)
Amortisation of borrowing fee during the year	17,970,776	118,490	17,970,776	118,490
Amortisation of deferred interest during the year	46,981,206	123,288	46,981,206	123,288
Closing balance	492,473,884	56,611,778	492,473,884	56,611,778

As at 31 December 2017, undrawn borrowing facilities from loan from a financial institution is Baht 75 million which secured by the Company's land title deed number 19676, Maikhao sub-district, Thaland district, Phuket.

As at 31 December 2018 short-term borrowings from financial institutions baring interest rate at 12 - 15% per annum (2017 : 12% per annum) are due for repayment within May 2019.

27 Long-term borrowings from financial institutions

Long-term borrowings from financial institutions as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current				
Current portion of long-term borrowings from financial institutions	43,928,036	43,097,499	43,928,036	43,097,499
Non-current				
Long-term borrowings from financial institutions	98,270,548	15,157,148	98,270,548	15,157,148
Total	142,198,584	58,254,647	142,198,584	58,254,647

The movement of the long-term borrowings from financial institutions for the years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening balance	58,254,647	50,000,000	58,254,647	50,000,000
Add Additions during the year	109,000,000	17,000,000	109,000,000	17,000,000
Less Repayments during the year	(23,891,125)	(8,745,353)	(23,891,125)	(8,745,353)
Loans fee addition during the year	(1,000,000)	-	(1,000,000)	-
Amortisation of prepaid interest during the year	272,322	-	272,322	-
Prepaid interest addition during the year	(1,200,000)	-	(1,200,000)	-
Amortisation of deferred interest during the year	762,740	-	762,740	-
Closing balance	142,198,584	58,254,647	142,198,584	58,254,647

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27 Long-term borrowings from financial institutions (Cont'd)

The long-term borrowings from financial institutions as at 31 December 2018 and 2017 comprise the following:

Outstanding borrowings (Million Baht)	Interest rate per annum (%)	Maturity date	Collateral
90.04 (2017 : 41.80)	MLR + 0.50	June 2020	- The Company's office unit - Property of other parties, directors, and a related company - Land and real estate for sales 14 units - Land and real estate under development title deeds number 63757, 63760 and 63776
32.86 (2017 : 16.45)	12.00 - 15.00	June 2025	- Title deeds number 52368, 52369 and 52370 parcel number 57, 56 and 5 Pa Khlok Sub-district, Thalang district, Phuket - Securities of director
19.29 (2017 : nil)	12.00	August 2021	- Land and real estate for sales 4 units - Securities of director

The carrying amounts and fair value of long-term borrowings are as follows:

	Consolidated and separate financial statements			
	Carrying amounts		Fair value	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term borrowings	142,198,584	58,254,647	152,733,880	79,832,800

The fair value of long-term borrowings are based on discounted cash flows using a discount rate based upon the borrowings rate of local banks and are within level 2 of the fair value hierarchy.

28 Finance lease liabilities

Finance lease liabilities - minimum lease payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	947,569	972,255	947,569	972,255
Later than 1 year but not later than 5 years	848,808	1,796,377	848,808	1,796,377
Less Future finance charges on finance leases	(115,330)	(243,363)	(115,330)	(243,363)
Present value of finance lease liabilities	1,681,047	2,525,269	1,681,047	2,525,269

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	871,814	843,913	871,814	843,913
Later than 1 year but not later than 5 years	809,233	1,681,356	809,233	1,681,356
Present value of finance lease liabilities	1,681,047	2,525,269	1,681,047	2,525,269

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29 Deposits and advances received from customers

Deposits and advances received from customers as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deposits and advances received from				
- sales of land and real estate	39,885,677	133,458,059	39,885,677	133,458,059
- decoration service	2,490,500	5,052,941	2,490,500	5,052,941
- sales of land and real estate under development	223,794,259	54,075,600	223,794,259	54,075,600
	266,170,436	192,586,600	266,170,436	192,586,600

Additional information for deposits and advanced received from decoration service as at 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Decoration costs incurred plus recognised profit (loss) to date	9,525,851	9,065,751	9,525,851	9,065,751
Less Total billings to date	(12,016,351)	(14,118,692)	(12,016,351)	(14,118,692)
Advances received from customers	(2,490,500)	(5,052,941)	(2,490,500)	(5,052,941)

30 Provision for guaranteed returns

The movements of provision for guaranteed returns for the years ended 31 December 2018 and 2017 is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	-	7,638,839	-	7,638,839
Add Additions (reversal)	4,614,520	(7,638,839)	4,614,520	(7,638,839)
Less Actual payment	-	-	-	-
At 31 December	4,614,520	-	4,614,520	-

Provision for guaranteed returns determined by actual rate in guarantee contract with customers until the end of the contract within 2019.

31 Provision for delivery delay

The movements in provision for delivery delay during the years ended 31 December 2018 and 2017 is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	1,096,113	4,981,176	1,096,113	4,981,176
Add Addition (reversal)	-	(3,463,703)	-	(3,463,703)
Less Actual payment	(1,096,113)	(421,360)	(1,096,113)	(421,360)
As at 31 December	-	1,096,113	-	1,096,113

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32 Other current liabilities

Other current liabilities as at 31 December 2018 and 2017 is as follows:

	Consolidated financial informations		Separate financial informations	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deposits received for purchase of land	15,000,000	-	15,000,000	-
Others	1,312,031	2,517,983	1,254,774	2,000,286
Total other current liabilities	16,312,031	2,517,983	16,254,774	2,000,286

During 2018, the Company has entered into a memorandum, in order to sell land in Phuket, with a buyer at an agreed price. The buyer has made a deposit amounting to Baht 15 million as a collateral. Both parties agreed to cancel the memorandum in September 2018 and the Company returned the whole deposit with interest at the rate of 6.25% per annum to the buyer in January 2019.

33 Debentures (net)

On 31 August 2017, the Company issued 800,000 units of secured debenture at Baht 1,000 per unit, totaling Baht 800 million. Such debenture's life is 2.5 years and bears the interest at the rate of 6.25% per annum. The maturity date is on 28 February 2020.

Debentures as at 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Debentures - par value	800,000,000	800,000,000	800,000,000	800,000,000
Less Prepaid underwriting fee for debentures	(16,844,912)	(30,066,175)	(16,844,912)	(30,066,175)
Debentures (net)	783,155,088	769,933,825	783,155,088	769,933,825

At the Executive Committee's meeting no.2/2017 on 28 February 2017, it passed a resolution to approve and issue the Company's debentures for the operation within the limit not exceeding Baht 2 billion or other currencies with equivalent value. The type of debenture to be issued depends on the compatibility of market.

The movements of debentures for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Opening net book value	769,933,825	-	769,933,825	-
Increase in debentures during the year	-	699,000,000	-	699,000,000
Transfer from bills of exchange	-	101,000,000	-	101,000,000
Increase in prepaid underwriting fee during the year	-	(34,240,000)	-	(34,240,000)
Amortisation of prepaid underwriting fee during the year	13,221,263	4,173,825	13,221,263	4,173,825
Ending net book value	783,155,088	769,933,825	783,155,088	769,933,825

Security

- The Company's title deeds number 23712, 23713, 23714, 57888, and 59950, Pa Khlok sub-district, Thalang district, Phuket and title deed number 59949 which mutual right ownership with Apex Asset Co., Ltd
- Grand Bay Hotel Co., Ltd title deeds number 23710, 23711, 54006, 52371, 57240, and 33561, Pa Khlok sub-district, Thalang district, Phuket.
- The Company's notes receivable (Note 10)

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34 Employee benefit obligations

The amount recognised in the statement of financial position is determined as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Present value of obligations	13,616,965	12,636,551	13,616,965	12,636,551
Liability in the statement of financial position	13,616,965	12,636,551	13,616,965	12,636,551

The movements of employee benefit obligations for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
As at 1 January	12,636,551	9,519,685	12,636,551	9,519,685
Current service cost	1,425,519	1,234,051	1,425,519	1,234,051
Interest cost	442,279	333,190	442,279	333,190
(Gain)/loss on remeasurement	1,292,616	1,549,625	1,292,616	1,549,625
Benefits paid	(2,180,000)	-	(2,180,000)	-
As at 31 December	13,616,965	12,636,551	13,616,965	12,636,551

The amounts recognised in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current service cost	1,425,519	1,234,051	1,425,519	1,234,051
Interest cost	442,279	333,190	442,279	333,190
Total	1,867,798	1,567,241	1,867,798	1,567,241

The amounts recognised in other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
(Gain)/loss on remeasurement in the year				
(Gain)/loss from change in demographic assumptions	178,256	(381,013)	178,256	(381,013)
(Gain)/loss from change in financial assumptions	(62,013)	276,643	(62,013)	276,643
Experience (gain)/loss	1,176,373	1,653,995	1,176,373	1,653,995
(Gain)/loss on remeasurement in the year	1,292,616	1,549,625	1,292,616	1,549,625

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34 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Discount rate	2.66%	3.50%	2.66%	3.50%
Salary increase rate	5.00%	6.00%	5.00%	6.00%

Sensitivity analysis for each principal actuarial assumptions are as follows:

		Impact on defined benefit obligation - Increase (decrease)			
		Consolidated financial statements		Separate financial statements	
	Change in assumption	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Discount rate	Increase by 1%	(439,697)	(404,128)	(439,697)	(404,128)
Discount rate	Decrease by 1%	505,610	469,328	505,610	469,328
Salary increase rate	Increase by 1%	488,547	473,315	488,547	473,315
Salary increase rate	Decrease by 1%	(434,403)	(416,573)	(434,403)	(416,573)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the employee benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

As at 31 December 2018, the weighted average duration of the defined benefit obligation is 11 years (2017 : 22 years).

35 Share capital

	Number of shares Shares	Ordinary shares Baht
Registered share capital		
As at 1 January 2017	2,999,850,000	2,999,850,000
Decrease in registered share capital	-	(1,499,925,000)
Increase in registered share capital	1,499,925,000	749,962,500
As at 31 December 2017	4,499,775,000	2,249,887,500
Increase in registered share capital	-	-
As at 31 December 2018	4,499,775,000	2,249,887,500

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35 Share capital (Cont'd)

	Number of shares Shares	Ordinary shares Baht	Share discount Baht	Total Baht
Issued and paid-up share capital				
As at 1 January 2017	2,999,850,000	2,999,850,000	(1,153,823,762)	1,846,026,238
Decrease in registered share capital	-	(1,499,925,000)	1,153,823,762	(346,101,238)
As at 31 December 2017	2,999,850,000	1,499,925,000	-	1,499,925,000
Issues of shares	999,950,000	499,975,000	(299,985,000)	199,990,000
Related expense of increase in share capital	-	-	(400,000)	(400,000)
As at 31 December 2018	3,999,800,000	1,999,900,000	(300,385,000)	1,699,515,000

At the Extraordinary Shareholders' meeting no.1/2017 held on 11 August 2017, it passed a resolution to reduce the discount on share capital of Baht 1,153,823,762 and the deficits by reducing the registered share capital from Baht 2,999,850,000 to Baht 1,499,925,000 (by reducing par value of Baht 1 each to Baht 0.50 each with the same number of shares of 2,999,850,000) and then approved the allotted new ordinary shares 1,499,925,000 shares offering for sale to the existing shareholders and for reserving warrant to purchase the ordinary shares of the Company (APEX-W1) by increasing the Company's registered capital from 2,999,850,000 shares with a par value of Baht 0.50 per share, totalling Baht 1,499,925,000 to new registered capital of 4,499,775,000 ordinary shares with a par value of Baht 0.50 per share, totaling Baht 2,249,887,500, by issuing new 1,499,925,000 ordinary shares at par value of Baht 0.50 per share, totaling Baht 749,962,500. The details of which are as follows:

Allotted to	Number (Shares)	Ratio (Old : New)	Sale price per share (Baht)
Existing shareholders	999,950,000	3 existing ordinary shares : shares : 1 new ordinary share	Baht 0.50
Reserve for exercising the right of the Company's warrants allotted to the existing shareholders who have subscribed for the rights offering and are allotted the right offering shares (APEX-W1)	499,975,000	2 new ordinary share : 1 warrant	Baht 0.50 (Exercise price)
Specific investors	The residual after allotted to existing shareholders		Not less than the offering price per share provided to existing shareholders

Warrants to purchase ordinary shares No.1 (APEX-W1)

The details are as follows:

Type of warrants	:	Issued in the names of respective and negotiable holders.
Term of warrants	:	3 years from the issued date
Number of warrants offered	:	499,975,000 units
Offering price	:	Baht 0 per unit
Exercise ratio	:	1 warrant per 1 ordinary share (which will be changeable)
Exercise price	:	Baht 0.50 per ordinary share (which will be changeable)
Exercise date	:	The warrant holders are entitled to exercise the warrants on the last business day in June and December of each year. And these warrants will be matured in 3 years after the issued date (1 July 2018).

On 3 November 2017, the Company has registered with the Ministry of Commerce for deduction of registered share capital from Baht 2,999,850,000 to be Baht 1,499,925,000. From number of ordinary shares 2,999,850,000 ordinary shares at par Baht 1 each to be at par Baht 0.50 each.

On 6 November 2017, the Company has registered with the Ministry of Commerce for addition of registered share capital from Baht 1,499,925,000 to be Baht 2,249,887,500 (4,499,775,000 ordinary shares at par Baht 0.50 each).

35 Share capital (Cont'd)

Warrants to purchase ordinary shares No.1 (APEX-W1) (Cont'd)

As at 31 December 2017, the total authorised number of ordinary shares is 4,499,775,000 ordinary shares with a par value of Baht 0.50 per share. 2,999,850,000 issued shares are fully paid-up. The additional registered of 1,499,925,000 shares have not yet been allotted.

At the Board of Directors meeting no.7/2018 held on 5 April 2018, it passed a resolution to revise the offering price of newly issued ordinary shares to existing shareholders (RO) from Baht 0.50 per share to Baht 0.20 per share and exercise price of the warrants to purchase ordinary share of Apex Development Public Company Limited No.1 (APEX-W1) from Baht 0.50 per share to Baht 0.40 per share, including other approved features in previous resolutions. It also passed a resolution determined the record date for the right of shareholders who entitled to subscribed for the increased ordinary shares totaling 999,950,000 shares in accordance with their shareholding ratio, together with the warrants to purchase ordinary share of Apex Development Public Company Limited No.1 (APEX-W1) totaling 499,975,000 units to be 27 April 2018 and offer and exercise date to be 7 to 14 May 2018 except for weekends and holidays.

Warrants to purchase ordinary shares (APEX-W1) totaling 499,974,910 units were being trade in Stock Exchange of Thailand on 28 September 2018.

As at 31 December 2018, the total authorised number of ordinary shares is 4,499,775,000 ordinary shares with a par value of Baht 0.50 per share, 3,999,800,000 issued shares are fully paid-up. The newly issued shares were being traded in Stock Exchange of Thailand on 24 May 2018. The related expense of increase in share capital is amounting to Baht 400,000.

As at 31 December 2018, no warrant holders exercised their warrants. The outstanding balance of unexercised warrants to purchase ordinary share is 499,974,910 units.

36 Other components of equity, net of tax

The movements of other components of equity for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated and Separate financial statements	
	Unrealised gain from measurement of available-for-sale-investment, net of tax Baht	Total other components of equity, net of tax Baht
Opening balance	16,559	16,559
Increase (decrease) during the year	(15,797)	(15,797)
Closing balance	762	762

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37 Expenses by nature

The following significant expenditures, classified by nature for the years ended 31 December 2018 and 2017, have been charged in arriving at profit (loss) before finance costs and income tax:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost of land and real estate sold and decoration service	106,769,930	201,540,501	106,769,930	201,540,501
Staff costs	71,318,128	56,325,746	71,318,128	56,325,746
Specific business tax	8,571,250	12,229,506	8,571,250	11,563,318
Sales promotion and advertising expense	38,130,194	31,315,198	38,130,194	31,315,198
Professional and consultant fees	13,895,622	17,399,054	12,992,722	16,805,354
Guaranteed returns	30,864,578	23,571,349	30,864,578	23,571,349
Allowance for doubtful account	12,781,563	28,156	12,781,563	28,156

38 Finance costs (net)

Finance costs for the years ended 31 December 2018 and 2017 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest expenses				
- Debentures	50,000,000	16,849,315	50,000,000	16,849,315
- Bills of exchange	334,440	13,745,995	334,440	13,745,995
- Long-term borrowings from financial institutions	13,024,606	5,787,621	13,024,606	5,787,621
- Related parties	2,471,818	2,944,528	2,471,818	2,944,528
- Sale with right of redemption	3,305,752	603,293	3,305,752	603,293
- Short-term borrowings from financial institution	46,981,206	123,288	46,981,206	123,288
- Finance lease agreements	128,033	195,960	128,033	195,960
- Others	226,027	39,948	226,027	39,948
Prepaid underwriting fee for debentures	13,221,263	4,173,825	13,221,263	4,173,825
Borrowing fee from long-term borrowing from financial institution	1,225,896	1,006,202	1,225,896	-
Borrowing fee from short-term borrowing from financial institution	17,976,229	118,490	17,976,229	118,490
Fee for delay payment of land acquisition	13,078,134	-	13,078,134	-
Borrowing costs eligible for capitalisation	(3,873,454)	(6,787,516)	(2,549,525)	(4,851,186)
Total finance costs (net)	158,099,950	38,800,949	159,423,879	39,731,077

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39 Income tax

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax	-	-	-	-
Deferred tax (Note 22)	3,614,522	23,278,044	3,614,522	9,143,349
Write-off prepaid withholding tax	8,478,226	8,250,834	8,478,226	8,250,834
Total income tax	12,092,748	31,528,878	12,092,748	17,394,183

The tax on the Group's and the Company's profit before income tax differs from the amount that would arise using the basic tax rate of the income country of the Company as follows:

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loss before income tax	(290,852,743)	(81,690,456)	(291,154,292)	(63,179,697)
Tax rate:	20%	20%	20%	20%
The result of accounting profit multiplied by income tax rate	(58,170,548)	(16,338,091)	(58,230,858)	(12,635,939)
Tax effect of:				
Expenses not deducted for tax purpose	865,904	796,101	845,904	583,152
Expenses additionally deductible for tax purpose	(3,553)	(14,681)	(3,553)	(14,681)
Temporary differences for which no deferred tax assets was recognised	-	5,631	-	5,631
Temporary differences for which no deferred tax was previously recognised	531,402	(3,169,848)	531,402	(3,169,848)
Tax losses for which no deferred tax was recognised	60,391,317	41,998,932	60,471,627	24,375,034
Write-off prepaid withholding tax	8,478,226	8,250,834	8,478,226	8,250,834
Tax charge	12,092,748	31,528,878	12,092,748	17,394,183

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40 Basic loss per share

Basic loss per share are calculated by dividing the net loss for the year attributable to shareholders by the weighted average number of ordinary shares issued during the year.

	For the years ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Net loss attributable to shareholders (Baht)	(302,945,491)	(113,219,334)	(303,247,040)	(80,573,880)
Weight average number of ordinary shares in issue (shares)	3,635,434,658	2,999,850,000	3,635,434,658	2,999,850,000
Basic loss per share (Baht)	(0.083)	(0.038)	(0.083)	(0.027)

The diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, adjusted by dilutive potential ordinary shares to assume all are converted. The Company has dilutive potential ordinary shares, which is warrants. For the warrants a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The calculation is made to determine the number of ordinary shares to add the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings. However, the potential ordinary shares from warrant conversion should not be treated as dilutive as their conversion to ordinary shares would not increase loss per share to ordinary shareholders.

There are no potential dilutive ordinary shares issued during the years ended 31 December 2017.

41 Commitments and contingent liabilities

As at 31 December 2018 and 2017, the Group and the Company have commitments and contingent liabilities as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Million Baht	2017 Million Baht	2018 Million Baht	2017 Million Baht
Capital commitments				
- under contracts to invest in development projects until completion	508.70	298.89	439.72	272.39
- under land purchase contract (Note 23)	610.65	-	610.65	-
- under share purchase contract (Note 18)	-	555.86	-	555.86
- under decoration service contract	0.47	0.49	0.47	0.49
	1,119.35	855.24	1,104.84	828.74
Commitments from operating lease and service agreements				
- under operating lease and marketing agreement	7.22	10.12	7.22	10.12

Commitments under letter of guarantee

As at 31 December 2018 and 2017, the Group had letter of guarantees issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
In respect of electricity usage	1,523,054	523,054	1,523,054	523,054
In respect of maintenance utilities	751,986	751,986	751,986	751,986
Total	2,275,040	1,275,040	2,275,040	1,275,040

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42 Significant contracts

On 23 June 2017, the Company has entered into agreements with a hotel management company for the purpose of an operation of the current and new projects of the company which located in Pattaya and Phuket, respectively. The details of those significant contracts are as follows:

Contract	Purpose	Fee and Expense
- Operating Service Agreement	To engage, supervise, direct, and control of the operation of hotels under the brand	Base fee monthly in arrears based on the gross operating revenue of the hotel for the immediately preceding month
- Design Review Agreement	To advise the Company to the design of the hotel	USD 175,000
- System License Agreement	To obtain the right for the hotel to be operated under the brand in accordance with the system	Base fee monthly in arrears based on the gross operating revenue of the hotel for the immediately preceding month
- Centralised Service Agreement	To provide to the hotel certain reservations, sales and marketing, guest loyalty and other services	Overhead and other costs incurred in providing the centralised services
- Residential Marketing License Agreement	To supervise, direct and control the hotel operation to be conducted within the hotel unit pursuant to the hotel's Operating Services Agreement, including operation of the rental program and the project common areas	USD 500,000
- Residential Trademark License Agreement	To use the Licensed Trade Mark in conjunction with the project name solely for identification, but not as part of the legal name, of the residential project at the location	USD 11,900 per year with multiplication of CPI ratio in subsequent years

On 17 January 2018, the Company has entered into agreements with a hotel management company for the purpose of an operation of the current projects of the company which located in Krabi. The details of those significant contracts are as follows:

Contract	Purpose	Fee and Expense
- Operating Service Agreement	To engage, supervise, direct, and control of the operation of hotels under the brand	Base fee monthly in arrears based on the gross revenue of the resort and an annual incentive fee based on annual gross operating profit of the resort
- Sales and Marketing Agreement	To provide the sole and exclusive right to market, advertise and promote the resort	Nil
- Project Consultancy Advice and Assistance Agreement	To provide consultancy advice and assistance service for building, equipping and fitting-out of the resort	USD 300,000

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43 Events occurring after the reporting date

On 10 January 2019, the Board of Directors' meeting no. 1/2019 passed a resolution to establish 2 new subsidiaries to support the management of hotel in Phuket and to organise water sport competition activities in the promotion of projects of the Company in Krabi which are Mai Khao Beach Hotel Co., Ltd. which has authorised share capital 50,000 shares at Baht 100 per share totaling Baht 5 million and World Record Sailing Yacht Co., Ltd., which has authorised share capital 10,000 shares at Baht 100 per share totaling Baht 1 million, respectively. The Company owns 100% of total shares of both subsidiaries. Both subsidiaries registered with the Ministry of Commerce on 15 January 2019.

On 25 January 2019, the Company issued 160,000 units of secured debenture at Baht 1,000 per unit, totaling Baht 160 million. Such debenture's life is 9 months and bears the interest at the rate of 6.25% per annum. The maturity date is on 22 October 2019 according to the Executive Committee's meeting no.2/2017 on 28 February 2017, which passed a resolution to approve and issue the Company's debentures for the operation within the limit not exceeding Baht 2 billion or other currencies with equivalent value. The type of debenture to be issued depends on the compatibility of market.

At the Board of Director's meeting no. 2/2019 held on 31 January 2019, it passed a resolution to authorised additional land acquisition at Krabi 2 plots amounting to Baht 227,505,000.

On 22 February 2019, the Group's management has signed on the capital facilities term sheet with a non-banking financial institution to finance borrowings for the ongoing and future projects. The total amount of this borrowing facility is Baht 1,026 million. The agreement according to this term sheet is expected to be signed in March 2019.

44 Contingent liabilities

The Company is subject of a claim by one of its customer in respect of breaching sale and purchase agreement in 2017, with a total claimed amount of Baht 15.05 million. At present, this case is awaiting for an appointment of plaintiff and defendant witnesses in Civil court, the result is still unpredicted. The Company's management believes that the Company has no obligation to pay for this claim.

Channels of contact with the company

Apex Development Public Company Limited

Symbol	APEX
Registration Number	0107536001117
Head Office Address	10/53 2nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, Klongtoey Nue Sub-district, Wattana district, Bangkok 10110
Telephone	02-168-7200
Facsimile	02-168-7191
Nature of Business	Property Development
Web Site	www.apexpcl.com

"Enhancing Value"

APEX DEVELOPMENT PUBLIC COMPANY LIMITED

10/53 2nd Floor, The Trendy Building,
Soi Sukhumvit 13 (Sangjan)
Sukhumvit Road, Klongtoey Nua,
Wattana, Bangkok 10110 Thailand
Tel : 0-2168-7200
Fax : 0-2168-7190-91
www.apexpcl.com