



APEX DEVELOPMENT PUBLIC COMPANY LIMITED



ANNUAL REPORT 2019

Content

02	Message from the Chairman
03	History
08	Project Development Planning in the year 2019 -2023
14	Vision Mission
15	Revenue Structure
18	Risk Factors and Risk Management
23	General Information
26	Shareholder and Securities of the company
28	Dividend Policy
29	Management Structure
36	Corporate Governance Policies
54	Corporate Social and Environment Responsibility (CSR)
57	Internal Audit and Inside Information Control
61	Related Business Transaction of Company
66	Financial Analysis and Business Performance
66	Compare Statement of Financial Position 3 year of Company
72	Management Discussion & Analysis: MD&A
77	Independent Auditor's Report
83	Financial Statement
92	Notes to the Consolidated and Separate Financial Statements

"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 2019 is a year of business expansion and resort project construction in accordance to Apex Development Public Company Limited business plan that is committed to contribute to the perpetual growth of the Thailand Tourism Industry 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.

The operation progress is the construction of Sheraton Residences on the beachfront of Por Bay Phuket which comprised of Villas for the South Residences and North Residences of 107 residential Villas which is scheduled for unit ownership transfer to the project's purchaser approximately on the 2nd Quarter of 2020 onwards. As for Club Med Krabi Resort and Residences on the beachfront of Yao Beach Krabi, the sale reservation deposit for the Club Med Krabi project has reached up to 75%. At present the construction and interior decoration of the Show Unit Villa and Sales Office is in process at the Club Med Krabi project site in parallel of waiting for the EIA approval so that construction of Club Med Krabi can begin in year 2020.

The development of Mix-used project comprising of Hotel and Residences in accordance to Apex development plan has gained worldwide popularity. This is because the residences buyer benefits from the stable rental return of their unit under the professional management of reputable international hotel chain, as well as benefit from the good future value appreciation of the property.

In accordance with the company's business plan (Year 2019 – 2023), there will be an increase in capital of Apex to fund the projects expansion and development of the company. Towards the end of 2019, the company have signed an initial Agreement with an international Investment Fund to increase its capital with issued shares of 2,500 million shares of the company. The closing of this transaction is expected to be completed within the 1st Quarter, 2020.

Lastly, I would like to thank all our buying customers that have placed confidence in the company's 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.

(Mr. 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 Choburi Industry Estate (Bo Win), Sriracha, Choburi. (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.

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)

2007 -2016 : In August 2007 the new investor group led by Mr.Pongphan Sampawakooop 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 March, 2017 onwards, after strictly adhering to the rules and regulations until the criteria for removal from delisting was achieved coupled with the continuous profitability 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.

- 2017 : - The Resolutions of the 2017 Annual General Meeting of the Company's Shareholders which were 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 Oversubscription 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.

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 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.

2019

: At the Board of Directors' meeting no. 1/2019 held on 10 January 2019, it 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 5.00 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. The Company owns 100 percent of total shares of both subsidiaries. The 2 new subsidiaries received paid-up for ordinary shares at Baht 25 per share totaling Baht 1.25 million and Baht 0.25 million, respectively, on 11 January 2019. Both subsidiaries registered with the Ministry of Commerce on 15 January 2019.

- On 23 April 2019, the Board of Directors' meeting no. 6/2019 passed a resolution to establish a new subsidiary to support the management of real-estate development which is Apex Krabi Development Company Limited. The subsidiary has Baht 2.50 million registered share capital, comprising of 250,000 ordinary shares, with a par value of Baht 10 per share. The Company owns 100 percent of total shares of subsidiary. The new subsidiary registered with the Ministry of Commerce on 24 April 2019.

- At the Extraordinary General Shareholders' meeting of Long Beach Hotel Co., Ltd no. 2/2019 held on 9 May 2019, it passed a resolution to increase the authorised share capital from Baht 5.00 million to Baht 126.75 million, by issuing 1,217,500 new ordinary shares with a par value of Baht 100 per share totaling Baht 121.75 million. The Company received all paid-up on 27 May 2019 and registered with the Ministry of Commerce on 29 May 2019.

- At the Extraordinary General Shareholders' meeting of Andaman Hotel Co., Ltd no. 2/2019 held on 9 May 2019, it passed a resolution to increase the authorised share capital from Baht 5.00 million to Baht 293.75 million, by issuing 2,887,500 new ordinary shares with a par value of Baht 100 per share totalling Baht 288.75 million. The Company received all paid-up on 27 May 2019 and registered with the Ministry of Commerce on 29 May 2019.

- At the Board of Directors' meeting no. 8/2019 held on 13 June 2019, it passed a resolution to sell 50% of all of the shares held in Grand Bay Hotel Co., Ltd (a subsidiary) for a total of 2,500,000 shares to Mercurius Capital Investment Company Limited, a company listed under the Singapore Stock Exchange for the price of Baht 335,000,000. The reason was to invest in the Sheraton Phuket Grand Bay Resort in AoPor, Phuket. The payment conditions are as follows:

The 1st instalment of Baht 33,500,000 to be paid for shares transfer 10% by June 2019.

The 2nd instalment of Baht 33,500,000 to be paid for shares transfer 10% after the release of the existing mortgage on a date to be determined by the Company.

The 3rd instalment of Baht 67,000,000 to be paid for shares transfer 20% by July 2019 or by any later date as reasonably agreed by the parties.

The 4th instalment of Baht 201,000,000 to be paid for remaining shares transfer 60% plus cost of construction and development of Sheraton Phuket Grand Bay Resort project incurred up to the last shares transfer date, in proportion to the shareholding ratio, by August 2019 or by any later date as reasonably agreed by the parties.

The Company will transfer shares as a security in every instalment received according to the agreement. However, the conditions in the agreement stated that Mercurius Capital Investment Limited shall not have any other rights available under this agreement as shareholders and shall not transfer, sell, or otherwise dispose of all or any part of the relevant sale shares transferred to other parties until the final instalment. Upon termination, Mercurius Capital Investment Limited shall immediately transfer back the shares previously transferred to the Company and the Company shall immediately return all of the money back.

During the period, Mercurius Capital Investment Company Limited ask to extend the 4th instalment payment to be November 2019. The Company entered into loan agreement with other party by pledging Phuket land of Grand Bay Hotel Co., Ltd. to be the Company working capital.

As at 31 December 2019, the Company received the 1st to the 3rd and some portion of the 4th instalment deposit for shares of its subsidiary of Baht 167,000,000 and transferred the subsidiary's shares to Mercurius Capital Investment Limited at 20%.

on 7 January 2020, the Board of Directors' Meeting No. 1/2563 approved the amendment to the term of the joint venture agreement, in which the meeting considered it appropriate to reduce the calculation of investment value in the land of Grand Bay Hotel from originally 620 million Baht

to 558 million Baht as proposed by Mercurius Capital Investment Limited, resulting in the consideration to be paid by Mercurius Capital Investment Limited (which calculate from the value of the land and operating cost of Grand Bay Hotel totaling 670 million Baht) decreasing from originally 335 million Baht to 304 million Baht. The meeting further approved change to the details of the conditions and payment method for last installment to be in line with the in loan debt of Grand Hotel Bay which Mercurius Capital Investment Limited agreed to be responsible for such debt proportionately to its shareholding. By such amendment to the terms, it will be deemed that the Company has received the remuneration in accordance with relevant agreement and that the conditions for entering into this transaction in accordance with the Joint Venture Agreement has been fulfilled and will enable the Company to immediately transfer the shares and commence the joint venture in respect of Grand Bay Hotel to ensure that the development of Grand Bay Hotel's project continues in a timely manner and in accordance with the Company's business plan. The detail of amendments to the last installment are as follows:

Old Terms	New Terms
The balance of 60% of the purchase price in the amount of Baht 201,000,000 together with the cost for development of the project of Grand Bay Hotel incurred up to the date of the transfer of the last tranches of shares (if any) proportionately to the shareholding of the Purchaser (50 percent) within August 2019 or other date as agreed by the parties.	The balance of the purchase price in the amount of Baht 170,000,000 within 7 January 2020 be paid as follows: - By cash in the amount of Baht 70,000,000 - By having Grand Bay Hotel solely be responsible for the loan which has been utilized for the Company's business in the amount of Baht 200,000,000 and Mercurius Capital Investment Limited be responsible for such debt proportionately to its shareholding (50 percent), equivalent to Baht 100,000,000, in case Grand Bay Hotel does not repay the loan on time. In respect of the cost for development of the project of Grand Bay Hotel incurred up to the date of the transfer of the last tranches of shares (e.g. construction design and development costs of the project), the Company will collect the cost and notify Mercurius Capital Investment Limited to make the payment to the Company proportionately to its shareholding (50 percent) within 14 days after the date of such notice. The Company expects that such expenses will be paid in February 2020.

Such transfer of shares in Grand Bay Hotel to Mercurius Capital Investment Limited will cause Grand Bay Hotel to cease being a subsidiary of the Company.

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

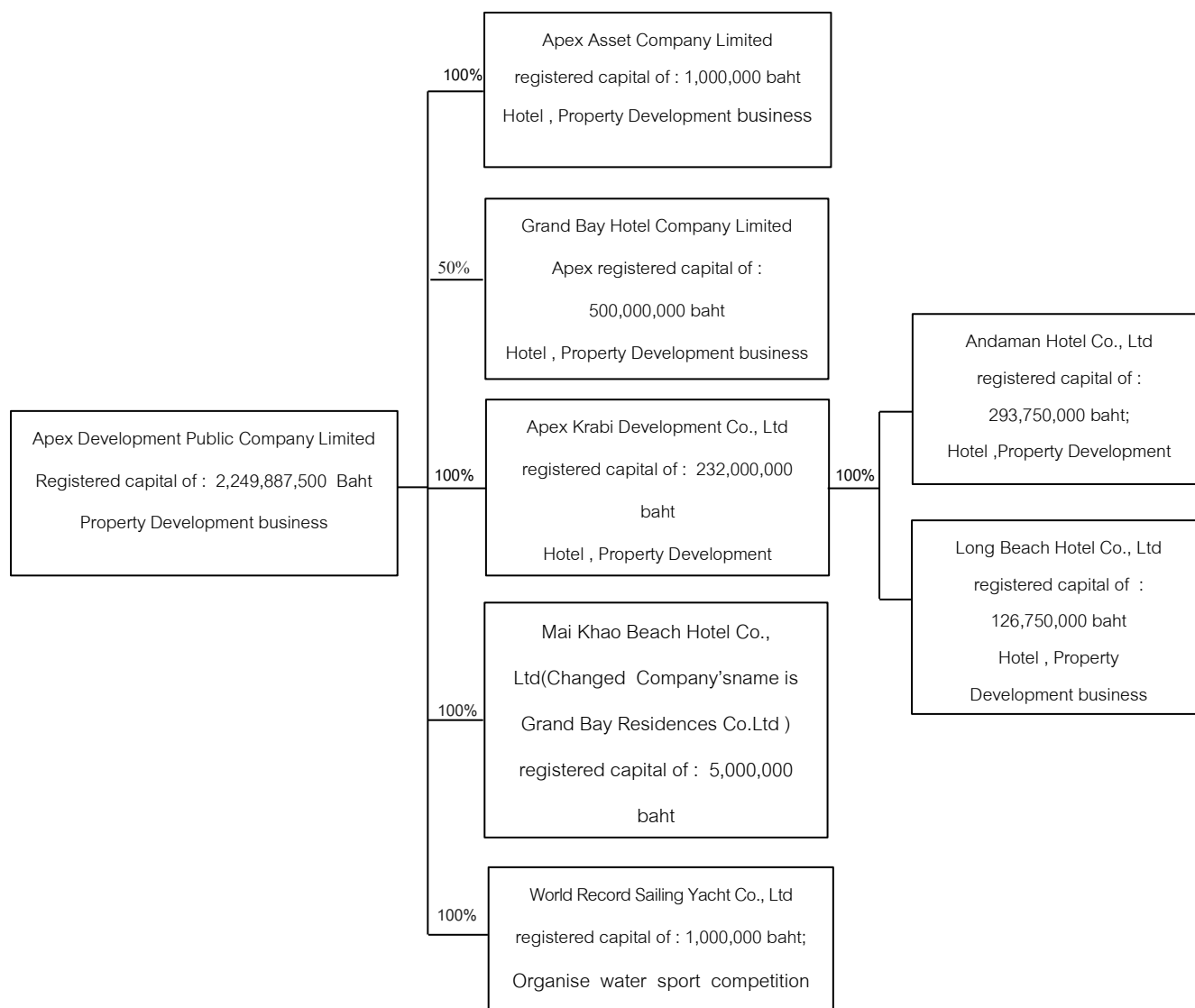
Unit: million baht

Date	Increase (decrease)	Registered Capital after changed	Registered and Paid-up Capital	Remarks
28 Apr2016 10 Jun2016	142.85	2999.85	2,857.00 2,999.85	Right Offering
3 Nov 2017 6 Nov 2017	(1,499.92) 1,499.92	1,499.92 2,249.88	1,499.92 1,499.92	Decrease Capital Register by decreasing the par value Right Offering and, the remaining shares were to be allocated by offering through private placement (PP) Private Placement
18 May 2018	999.95	2,249.88	1,999.90	Registered and Paid-up Capital

Shareholders Structure of Apex Development PCL.Group

Investment in subsidiary / associated/related companies

APEX invests in 7 subsidiary companies:-



Operation Policy of subsidiary companies of the companies group

The company's policy is to allocate each subsidiary company by project as follows :-

Company name	Type of Business	Project Operation
1. Apex Asset Co.,Ltd.	Investment	White Sand Beach Pattaya (Some Part) The Residences at Sheraton Phuket Grand Bay (Some Part)
2. Grand Bay Hotel Co.,Ltd.	Hotel , Property Development business	Sheraton Phuket Grand Bay
3. Andaman Hotel Co., Ltd.	Hotel , Property Development business	Club Med Hotel
4. Long Beach Hotel Co., Ltd.	Hotel , Property Development business	Sheraton Hotel
5. Apex Krabi Development Co., Ltd.	Property Development business	Project in Kabi Province
6. Mai Khao Beach Hotel Co., Ltd. (Changed Company 's name is Grand Bay Residences Co.Ltd)	Hotel , Property Development business	Project in Phuket Province
7. World Record Sailing Yacht Co., Ltd	Organise water sport competition activities	World Record Sailing Yacht

Project Development Planning in 2019 - 2023

MÖVENPICK

RESIDENCES & POOL VILLAS
NA JOMTIEN PATTAYA



Movenpick 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: Early 2017



Sheraton®

PHUKET GRAND BAY
THE RESIDENCES



Sheraton Phuket Grand Bay Hotel and Residences

Brand : **Sheraton®**
Location : Po Bay, Phuket
Area : 66 Rais
Hotel : 183 Keys
Residences : 107 Villas
Construction Period : Q3/2019-Q2/2021
Project Value - Hotel : Est. 2,562 Million Baht
Project Value - Residences : Est. 2,241 Million Baht

Krabi
Club Med
 amazing you
 The Residences



**Club Med Krabi
 Resort and Residences**

Brand : Club Med 
 Location : Yao Beach, Krabi
 Area : 105 Rais
 Hotel : 246 Keys
 Residences : 64 Units
 Construction Period : Q3/2020-Q1/2023
 Project Value - Hotel : Est. 2,952 Million Baht
 Project Value - Residences : Est. 1,477 Million Baht



Sheraton®

KRABI YAO BEACH
THE RESIDENCES



Sheraton Krabi Resort and Residences

Brand : **Sheraton®**
Location : Yao Beach, Krabi
Area : 75 Rais
Hotel : 196 Keys
Residences : 98 Units
Construction Period : Q3/2020-Q2/2023
Project Value - Hotel : Est. 2,313 Million Baht
Project Value - Residences : Est. 1,872 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 2017 - 2019:-

Consolidated Statement	2017		2018		2019	
	MB	%	MB	%	MB	%
Revenue from sales of land and real estate	312.51	92.47	176.57	89.99	84.42	88.66
Revenue from decoration service	16.80	4.99	5.93	3.02	2.60	2.73
Revenue from rental service	7.65	2.27	13.72	6.99	8.20	8.61
Revenue sales and services	336.96	100	196.22	100.00	95.22	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 recognised 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

The Mövenpick Residences is a condominium with panoramic sea view complete with large balcony for every unit, with five-star designed. The selling prices ranges from 110,000-150,000 Baht per square meter. The Residence's customers can enter into Rental Pool Program which is managed by a professional hotel management company. At present there are 60 units already enrolled in such program.

The Mövenpick Pool Villas is five-star villas with a total of 34 units. Each villa has a private swimming pool of 4.5 meters width x 9 meters length, with depth at 1.5 meters. Each villa is constructed on a 130 square wah plot of land, prices ranges from 20-23 million Baht. At present there are 5 units already in the Rental Pool Program.

As the selling prices of both residences and villas are quite high, the target customer group are medium to high-end customers who want to have a condominium or vacation home for spending their vacation in Pattaya. Another target customer group are executive level management both Thai and foreign who works for big corporation located around the Chonburi, Sattahip or LaemChabang area; or for expats who wants to settle down in Thailand for their retirement. Apart from the mentioned groups, another key target are the investor-buyers who are interested in investing in real estate property with Rental Pool program for long-term return in their investment.

The Residences at Sheraton Phuket Grand Bay is a 5-star Low-rise Condominium (Pool Villa Style) of 107 units, conveniently located only 25 minutes away from Phuket Airport. Phuket is one of the most popular tourism destination for both local Thai and foreign tourists. The target customer group for this project are high-income customers who want a vacation home for their vacation in Phuket as well as an rental income yielding property investment, with good future appreciation value. For the hotel component, target group are medium – high income tourists.

As for The Residences at Club Med Krabi project, this is a Mixed-use Development comprising of a 5-star Hotel and low-rise condominium (Pool Villa style) Residences. These Residences are the first in Asia to be managed in a rental pool program by Club Med who are the leading all-inclusive resort operator with more than 70 locations worldwide in over 26 countries. The Residences at Club Med Krabi project is located on Yao Beach Krabi, featuring a beach width of 270 meters, beautiful ocean with island backdrop view, and Residences with Free-hold strata title of 64 units. The company have already conducted sales activities during 2018 – 2019 with a total sale reservation of over 80% of the project. Majority of buying customers are Thai nationals who are interested in property investment for long-term return.

Distribution Channels

The company has its own sales office and Show Units located at Movenpick White Sand Beach Pattaya. The sales team onsite is ready to welcome customers and take them on the tour of the property. Marketing of the project includes many large billboards in high visibility area in Pattaya, sales events conducted in popular shopping complexes in Bangkok and Pattaya such as Central Festival Pattaya beach. Online website www.whitesandbeachpattaya.com to present the project details of both Residences and Pool Villas with Rental Program to attract investor-buyers.

As for The Residences at Sheraton Phuket Grand Bay, the company have sales office (Sales Gallery) and Show Units at the project site to accommodate all our customers. Marketing and Sales activities for this project are event based held at premium and popular shopping complex such as Siam Paragon with very positive response from our customers. The company also actively promotes online through social media and website with good result.

Promotion and Sales Activities

The company has organized the "Investment Opportunity on Branded Residences" event featuring premium mixed-use property project in Phuket and Krabi. These includes "The Residences at Club Med Krabi", which is the first residences with rental program in Asia managed by Club Med, as well as "The Residences at Sheraton Phuket Grand Bay", a prestigious unique resort home Branded Residences managed by Sheraton in Phuket. This event was a good success achieving sales volume of over 320 million Baht and was held between 14 – 16 June, 2019 at the Emporium Gallery with special seminar on Branded Residences investment by CBRE.

Between the 3 – 6 October, 2019, the company joined the "CBRE Elite Living Resort Property 2019" featuring our **The Residences at Sheraton Phuket Grand Bay** and **The Residences at Club Med Krabi** project. The event was successful for the company with The Residences at Sheraton Phuket Grand Bay sales result achieved at around 83%, and The Residences at Club Med Krabi at around 72%.

Between the 14 – 24 November, 2019, the company joined the "Siam Paragon Luxury Property Showcase 2019" at Siam Paragon. This is the highlight event of the year for luxury property in Thailand. The company once again achieved Top Sales for this event with The Residences at Sheraton Phuket Grand Bay achieved sales up to 85%, and The Residences at Club Med Krabi up to 80%.

The company has followed its Marketing Plan for both Offline and Online promotion activities. Offline marketing comprises of Billboard in strategic location such as Airport and along routes to project site. Print media consists

of business newspaper and inflight magazine that is suitable for the target audience. Event based activities are held in big popular shopping malls such as Siam Paragon and Emporium, as well as overseas events in Singapore. Online activities are conducted full-scale comprising of project's landing page, social media such as Facebook, Instagram, You Tube, Property Blogger Review and website, Google Search Engine placement. The company also periodically update that its website on the progress of the project development, as well as sending Newsletter to each buying-customers on a Quarterly basis.

Industry Market and Competition

The condominium market in Pattaya since 2016 has been slowing down, which is evident in fewer new condominium project launched when compared to the previous year stemming from the oversupply of low – medium end condominium and the economic slow-down. These factors have an impact on the confidence of both Thai and foreign buyers during year 2017 – 2018. Many big developers in Pattaya have endeavored to make their projects more attractive by offering Guaranteed Returns of 5 – 7% per annum for a period 1 – 3 years, while some projects even offered higher than this. Nevertheless, Pattaya still has good potential for investment by property developers to develop premium residential projects for both house and condominium for affluent high-end customer segment on a continuous basis.

Phuket is considered an important and popular tourism destination for both Thai and foreign tourist. It is ranked at No. 11 for the “Top 100 City Destination 2018” by Euromonitor International which ranks by the greatest number of visitors to the city. The tourism growth rate for Phuket is approximately 8 – 10% growth each year, comprising a majority of tourist from China and Europe. Contributable factor to this growth is the expansion of the Phuket International Airport passengers Terminal to accommodate up to 13 million visitors per year. In addition to this are the increased flight frequency and chartered flights direct to Phuket Airport without having to transit at Suvarnabhumi Airport. The property sector for the past 3 – 4 years have seen fewer new projects launched in Phuket. This resulted in greater demand for residential projects for medium – high-end for both Thai and foreign buyers that wants to live in Phuket or purchase for investment purpose by renting out for rental return and resale for future capital gain. The majority of these buyers are Thai nationals and foreign buyers in Asia, especially Hong Kong, Singapore, and Chinese which have worked in region for many years and very familiar with Phuket. Moreover, tourists from Australia, France, and Canada are new customer group which purchased these residences as their 2nd home, vacation home, or for retirement. Furthermore, the Phuket Airport have opened their new expanded terminals to accommodate much more visitors globally contributing to Phuket's growth as a tourism destination. In addition, Phuket has infrastructure projects to construct a tunnel cut through mountain of Patong beach, developments on tunnels and elevated roads of many road intersections, All of these projects are supporting infrastructure for the tourism growth in Phuket, hotel business, and expansion of property projects in

Phuket. Popular high-end property projects in Phuket are usually villas on the beachfront with hotel management by leading and prestigious hotel chain, high quality construction, and premium interior design and decoration.

Krabi is one of the strategic tourism provinces of Thailand. It is ranked at 100 for the “Top 100 City Destination 2018” by Euromonitor International. It has a growth rate of 9.2% from year 2017 – 2018 with more tourism revenue than Chiang Mai. It features many natural attractions including the beautiful Andaman Sea. It has pristine white sand beaches, natural waterfalls, many adventure activities such as rock climbing, boat rowing, canoeing. Furthermore, Krabi International Airports has many direct international flights, and flights from other provinces which can accommodate tourism for both Thai and foreign tourist very well.

Airport Expansion acceleration on an area of 2,000 rai to support Krabitourism.

Due to the rapid growth of tourism of Krabi province, the Krabi Airport has been expanded and improved by constructing the 3rd Passenger Terminal, the renovation of Buildings 1 and 2, and the car parking with a budget of 2,900 million Baht, which is scheduled to be completed by December 2022. Once completed, the Airport will double its capacity and accommodate 3,000 passengers per hour (increase from the original 1,500 passengers per hour). The construction of the aircraft parking utilizing a budget of 863 million Baht is scheduled to complete in August 2020, and will be able to accommodate aircraft (Boeing 737) from the original 10 planes increased up to 30 planes at the same time.

Currently, the construction has made great progress and the AOT has confirmed that it will be able to complete the construction on schedule.

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	18 th Floor, Zone A Tonson Tower 900 , Ploenchit Road, Lumpini Sub-district, Pathumwan district, Bangkok 10330
Telephone	02-636-2465, 081-483-2400, 081-665-2400
Facsimile	Fax. 02-636-2471
Web Site	www.apexpcl.com
<u>Securities in Focus</u>	As of December 31 st , 2019
Name of Securities	APEX
Registered Capital	2,249,887,500 Baht par value 0.50 Baht per share (Change Registered capital as of November 6 th 2017)
Paid-up Capital	1,999,900,000 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	18 th Floor, Zone A Tonson Tower 900 , Ploenchit Road, Lumpini Sub-district, Pathumwan district, Bangkok 10330
Telephone	02-636-2465, 081-483-2400, 081-665-2400
Facsimile	Fax. 02-636-2471
Nature of Business	Property Development
Web Site	www.apexpcl.com
Registered Capital	1,000,000 Baht 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, 2 nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, KlongtoeyNue 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	500,000,000 Baht, par value 100 Baht per share
Paid-up Capital	468,900,000 Baht

3. Andaman Hotel Co., Ltd.

Registration Number	0105561174281
Address	18 th Floor, Zone A Tonson Tower 900 , Ploenchit Road, Lumpini Sub-district, Pathumwan district, Bangkok 10330
Telephone	02-636-2465, 081-483-2400, 081-665-2400
Facsimile	Fax. 02-636-2471
Nature of Business	Property Development , Hotel
Web Site	www.apexpcl.com
Registered Capital	293,750,000 Baht , par value 100 Baht per share
Paid-up Capital	290,000,000 Baht

4. Long Beach Hotel Co., Ltd.

Registration Number	0105561174265
Address	18 th Floor, Zone A Tonson Tower 900 , Ploenchit Road, Lumpini Sub-district, Pathumwan district, Bangkok 10330
Telephone	02-636-2465, 081-483-2400, 081-665-2400
Facsimile	Fax. 02-636-2471
Nature of Business	Property Development , Hotel
Web Site	www.apexpcl.com
Registered Capital	126,750,000 Baht , par value 100 Baht per share
Paid-up Capital	123,000,000 Baht

5. Apex Krabi Developmetn Co., Ltd.

Registration Number	0105562075171
Address	18 th Floor, Zone A Tonson Tower 900 , Ploenchit Road, Lumpini Sub-district, Pathumwan district, Bangkok 10330
Telephone	02-636-2465, 081-483-2400, 081-665-2400
Facsimile	Fax. 02-636-2471
Nature of Business	Property Development , Hotel
Web Site	www.apexpcl.com
Registered Capital	232,000,000 Baht par value 10 Baht per share
Paid-up Capital	232,000,000 Baht

6. Mai Khao Beach Hotel Co., Ltd. (Changed Company 's name is Grand Bay Residences Co.Ltd

Registration Number	0105562008253
Address	10/53, 2 nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, KlongtoeyNue 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 Baht, par value 100 Baht per share
Paid-up Capital	1,250,000 Baht

7. World Record Sailing Yacht Co., Ltd Co., Ltd.

Registration Number	0105562008261
Address	10/53, 2 nd Floor The Trendy Building, Soi Sukhumvit 13 (SangChan), Sukhumvit Road, KlongtoeyNue Sub-district, Wattana district, Bangkok 10110
Telephone	02-168-7200
Facsimile	02-168-7190-91
Nature of Business	Organise water sport competition activities
Web Site	www.apexpcl.com
Registered Capital	1,000,000 Baht, par value 100 Baht per share
Paid-up Capital	250,000 Baht

Securities of Company

Company Information and Shareholder Structure

Registered Capital

1. Securities of the Company as at December 31, 2019 are as follows:

- 1.1) Registered capital of 2,249,887,50 Baht consisting of 4,499,775,000 ordinary shares with par value of 0.50 Baht per share.
- 1.2) Issued and paid-up capital of 1999,900,000 Baht consisting of 3,999,800,000 ordinary shares with par value of 0.50 Baht per share;
- 1.3) Location of the company that issued securities; No. 900, Tonson Tower 18th Floor Zone A, Ploenjit Road, Lumpini, Pathumwan, Bangkok 10330. Tel. No.02-636-2465 ,081-665-2400, 081-483-2400, Fax. No.02-636-2466.

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, with par value of 100 Baht total value of 1,000,000 Baht and details are as follows:

- 2.1.1.) Registered capital of 1,000,000 Baht consisting of 10,000 ordinary shares with par value of 100 Baht per share .
- 2.1.2) Issued and paid-up capital of 1,000,000 Baht consisting of 10,000 ordinary shares with par value of 100 Baht(One hundred baht) per share .
- 2.1.3) Location of the company that issued securities; No. 900, Tonson Tower 18th Floor Zone A, Ploenjit Road, Lumpini, Pathumwan, Bangkok 10330. Tel. No. 02-636-2465 ,081-665-2400, 081-483-2400
- 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 with par value of 100 Baht total value of 500,000,000 Baht and details are as follows:

- 2.2.1) Registered capital of 500,000,000 Baht consisting of 5,000,000 ordinary shares with par value of 100 Baht per share .
- 2.2.2) Issued and paid-up capital of 468,900,000 Baht consisting of 4,658,000ordinary shares with par value of 100 Baht per share .Location of the company that issued securities; No. 10/53 , 2nd Floor The Trendy Building, Sukhumvit 13 (Sangchan) Alley, Longtoey-Nua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200,

Fax. No. 0-2168-7190-91.

2.2.3) 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 2,937,500 ordinary shares with par value of 100 Baht total value of 293,750,000 Baht and details are as follows:

2.3.1) Registered capital of 293,750,000 Baht consisting of 2,937,500 ordinary shares with par value of 100 Baht per share .

2.3.2) Issued and paid-up capital of 290,000,000 Baht consisting of 2,900,000 ordinary shares with par value of 100 Baht per share .Location of the company that issued securities; No. 900, Tonson Tower 18th Floor Zone A , Ploenjit Road, Lumpini, Pathumwan, Bangkok 10330. Tel. No. 02-636-2465 ,081-665-2400, 081-483-2400.

2.3.3) 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 1,267,500ordinary shares with par value of 100 Baht total value of 126,750,000Baht and details are as follows:

2.4.1) Registered capital of 126,750,000 Baht consisting of 1,267,500 ordinary shares with par value of 100 Baht per share .

2.4.2) Issued and paid-up capital of 123,000,000 Baht consisting of 1,230,000 ordinary shares with par value of 100 Baht per share .Location of the company that issued securities; No. 900, Tonson Tower 18th Floor Zone A , Ploenjit Road, Lumpini, Pathumwan, Bangkok 10330. Tel. No. 02-636-2465 ,081-665-2400, 081-483-2400

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

2.5) Securities in associated company: the Company has invested in ordinary shares of **Apex Krabi Development Co., Ltd** at the amount of 23,200,000 ordinary shares with par value of 10 Baht total value of 232,000,000 Baht and details are as follows:

2.5.1) Registered capital of 232,000,000 Baht consisting of 23,200,000 ordinary shares with par value of 10 Baht per share .

2.5.2) Issued and paid-up capital of 232,000,000Baht consisting of 23,200,000 ordinary shares with par value of 10 Baht per share. Location of the company that issued securities; No 900,

Tonson Tower 18th Floor Zone A ,Ploenjit Road, Lumpini, Pathumwan, Bangkok 10330.
Tel. No. 02-636-2465 ,081-665-2400, 081-483-2400.

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

2.6) Securities in associated company: the Company has invested in ordinary shares of **Mai Khao Beach Hotel Co., Ltd** (Changed the company 's name is **Grand Bay Residences Co.Ltd** as of 24th January 2020) at the amount of 50,000 ordinary shares with par value of 100 Baht total value of 5,000,000 Baht and details are as follows:

2.6.1) Registered capital of Baht 5,000,000 consisting of 50,000ordinary shares with par value of 100 Baht per share .

2.6.2) Issued and paid-up capital of 1,250,000 Baht

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

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

2.7) Securities in associated company: the Company has invested in ordinary shares of **World Record Sailing Yacht Co., Ltd** at the amount of 10,000 ordinary shares with par value of 100 Baht total value of 1,000,000 Baht and details are as follows:

2.7.1) Registered capital of 1,000,000 Baht consisting of 10,000 ordinary shares with par value of 100 Baht per share .

2.7.2) Issued and paid-up capital of 250,000 Baht consisting of 2,500 ordinary shares with par value of 100 Baht per share .Location of the company that issued securities; No. 10/53 , 2nd Floor The Trendy Building, Sukhumvit 13 (Sangchan) Alley, KlongtoeyNua Sub-district, Wattana District, Bangkok 10110 Tel. No. 0-2168-7200, Fax. No. 0-2168-7190-91.

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

3. Other Securities of the Company as at December 31st , 2019 - None -

Shareholder

(1) The Shareholder of Apex Development Public Company Limited

Name and the top 10 shareholding as of the last book closing date 13 March 2019

Major Shareholders as of the last book closing date on 13 March 2019

No.	Name	Relationship	Amount of shares	% of all shares sold
1	Mr. Pongphan Sampawakoo	Director	759,784,349	18.99
	Ms. Puangchan Sampawakoo	Mr. Pongphan's sister	588,211,278	14.70
	Mr. Ekapongna Ranong	Ms. Puangchan's son	551,614,374	13.79
	Subtotal : Sampawakoo's family Group		1,899,610,001	47.48
2	OCEANWIDE SECURITIES Company Limited A/C CLIENT		287,191,716	7.18
3	Ms. Siriratha 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 Limited		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	73.62
	Other shareholders		1,055,179,502	26.38
	Total Shareholders		3,999,800,000	100.00

Foreign shareholders as of the last book closing date on 13 March 2019

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 2019, 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 2017 Annual General Meeting of Shareholders which be held on 25 April 2017.

The Company proposed the Meeting to consider and approve the issuance and offering of debentures less than Two Billion Bath 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). The total principal amount of debentures and all outstanding debentures issued by the Company at any time shall not exceed 2 Billion Baht. 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 issued and offering of debentures by no reference rating of reliability .

- 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). The Shareholders may subscribe the shares in excess of their shareholding proportion in the amount not exceeding the amount offered to them in accordance with their shareholding ratio ("Oversubscription"). Oversubscription shares shall be allocated to shareholders only after there are shares left unsubscribed by shareholders who have exercised their subscription right proportionately.

Any shares left unsubscribed after the allocation of newly issued ordinary shares to existing shareholders in proportion to their shareholding and the rounded-down of shares shall be within the power of the Board of Directors and/or the Managing Director to allocate to existing shareholders who have expressed their intention to oversubscribe on a pro rata basis at the same offering price of the shares in this rights offering allocation, in accordance with the following criteria:

- 1.1 Unsubscribed shares exceed or equal to the number of shares oversubscribed for

The Company will allocate shares to all shareholders who have expressed their intention to subscribe for shares in excess of their right and who have paid subscription

price for such shares. In case there are remaining shares, such shares shall be offered by way of private placement to a non-related person of the Company in accordance with item no. 3

1.2 Unsubscribed shares are less than the number of shares oversubscribed for

- (a) Each shareholder who has expressed the intention to subscribe for shares in excess of their existing shareholding percentage will be allocated Oversubscription shares in proportion to shareholding percentage of each shareholder (fractions of shares that are derived from calculation shall be rounded down). The number of shares to be allocated to oversubscribing shareholders will not exceed the number of shares subscribed and paid for.
- (b) The remainder of shares after the allocation under (a) will be allocated proportionately to each of oversubscribing shareholders who have not been fully allocated with shares (fractions of shares that are derived from calculation shall be rounded down). The number of shares to be allocated to oversubscribing shareholders will not exceed the number of shares subscribed and paid for. The allocation process under this clause (b) shall be repeated until no shares are left.

Under no circumstances will the Company allocate shares to any oversubscribing shareholders in a manner that will result in such oversubscribing shareholders holding shares in the Company in an amount that reaches or crosses the tender offer requirement threshold prescribed under the Notification of the Capital Market Supervisory Board No. Tor.Chor. 12/2554 re: the Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers or causing the shareholding ratio of the foreign shareholders to exceed 49 percent as specified in the Company's Articles of Association. The Company reserves its right not to allot the shares to any subscriber if the allocation to such subscriber results in or could result in a non-compliance with any laws or regulations relating to the issuance and offering of securities under Thai laws.

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), without consideration. The warrant to purchase ordinary share of Apex Development Public Company Limited No. 1 (APEX-W1) will have exercise period of 3 year, with the exercise ratio of 1 to 1, at

the exercise price of 0.50 Baht per 1 new ordinary share. The date to exercise warrant will be on the last business day of June and December of every year.

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 Oversubscription 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,

By way of private placement. The Board of Directors or the persons authorized by the Board of Directors are authorized to determine the offering price for such remaining increased shares at the best price in accordance with the condition of the market at the time of offering, which shall be no less than the offering price stipulated in the Notification of the Capital Market Supervisory Board No. 72/2558 re: Approval of Offering for Sale of Newly Issued Shares by Listed Companies by way of Private Placement, and offer such remaining shares by way of private placement within 12 months from the date which the Meeting approved the offering of such increased shares, in accordance with the regulations and notifications of the Securities and Exchange Commission (SEC) and other relevant official.

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 2019, no warrant holders exercised their warrants. The outstanding balance of unexercised warrants to purchase ordinary share is 499,974,910 units.

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 160,000 units of secured debenture, totalling Baht 160 million, which has maturity date on 22 October 2019 were redeemed on 17 October 2019. 64,000 units of 800,000 units of secure debenture which will be matured on 28 February 2020 had been early redeemed during November and December 2019 because of investor request, totalling Baht 64 million.

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.

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.

Debentures (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Debentures - par value	736,000,000	800,000,000	736,000,000	800,000,000
<u>Less</u> Prepaid underwriting fee for debentures	(2,505,216)	(16,844,912)	(2,505,216)	(16,844,912)
Debentures (net)	733,494,784	783,155,088	733,494,784	783,155,088
<u>Less</u> Current portion of debentures (net)	(733,494,784)	-	(733,494,784)	-
Debentures (net)	-	783,155,088	-	783,155,088

The movements of debentures (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Opening net book value	783,155,088	769,933,825	783,155,088	769,933,825
Increase in debentures during the year	160,000,000	-	160,000,000	-
Repayments of debentures during the year	(184,000,000)	-	(184,000,000)	-
Transfer from bills of exchange (Note 11)	(40,000,000)	-	(40,000,000)	-
Increase in prepaid underwriting fee during the year	(8,129,860)	-	(8,129,860)	-
Amortisation of prepaid underwriting fee during the year	22,469,556	13,221,263	22,469,556	13,221,263
Ending net book value	733,494,784	783,155,088	733,494,784	783,155,088

- 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, 57204, and 33561, Pa Khlok sub-district, Thalang district, Phuket.
 - Securities of director

At the Board of Directors' meeting no. 8/2019 held on 7 August 2019, it passed a resolution to redeem some portions of collateral for long-term loans and pledged as an additional securities without increasing debentures for "Secured Debentures of Apex Development Public Company Limited No. 1/2017 Due 2020" which are land title deeds number 52368, 52369 and 52370 Pa Khlok Sub-district, Thalang district, Phuket, condominiums 11 units and land title deeds number 63757, 63760 and 63776 Na Jomtien Sub-district, Sattahip district, Chonburi and redeem Grand Bay Hotel Co., Ltd.'s title deeds number 23710, 23711, 54006, 52371, 57204, and 33561, Pa Khlok sub-district, Thalang district, Phuket.

The 160,000 units of secured debenture, totalling Baht 160 million, which has maturity date on 22 October 2019 were redeemed on 17 October 2019. 64,000 units of 800,000 units of secure debenture which will be matured on 28 February 2020 had been early redeemed during November and December 2019 because of investor request, totalling Baht 64 million.

At the Debenture Holders' meeting no. 1/2020 held on 19 February 2020, it passed a resolution to extend the maturity date, amend interest rate, the term of right, debentures name and the debenture's security for 736,000 Million Baht . By The extension of APEX202A debentures by revising the redemption date on 26 August 2020. (The debenture issuer can redeem the debentures before maturity date.

- **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.

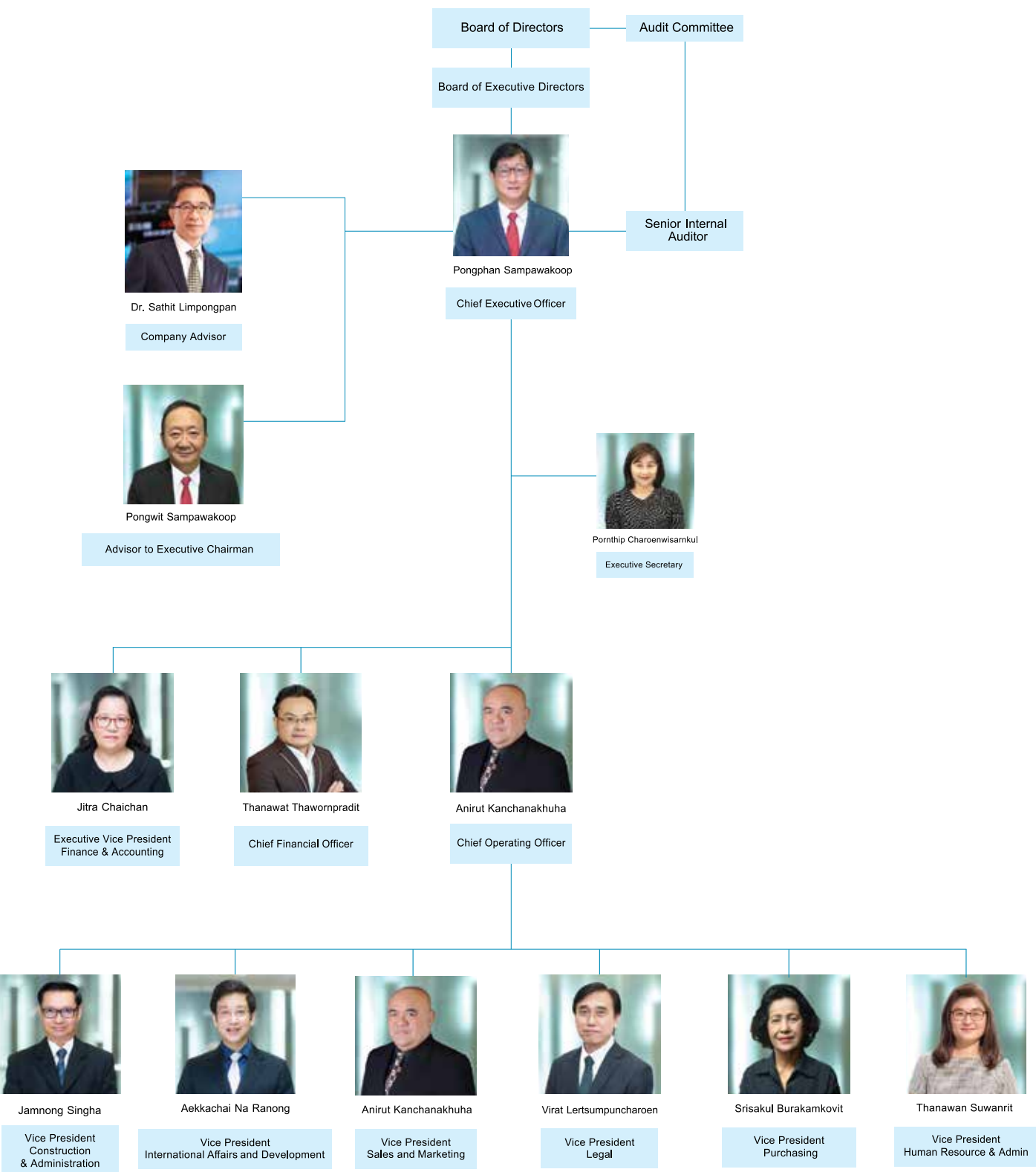
Since the Company has a huge retained loss, as of 31 December 2019 is 421.21 million baht, the Company cannot pay dividend until such loss cleared. In order to compensate for the deficit of the shareholders equity and accumulated deficit of the Company. For comply with the par value of the stock exchange and the company can pay dividends to shareholders in accordance with the Company's policy in the future.

- **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



Board of Directors



Mr. Pongphan Sampawakoo
Chairman of the Board of Directors /
Chief Executive Officer



Mr. Padoongpun Jantaro
Director / Chairman of the
Audit Committee /
Independent director



Mr. Chatchawan Triamvicharnkul
Director / Audit Committee /
Independent director



Mr. Chalit Satidthong
Director / Audit Committee
/ Independent director



Mr. Siripong Silpakul
Director / Audit Committee /
Independent director



Mr. Prakai Cholahan
Director



Mr. Virat Lertsumpunchaen
Director



Mrs. Orawan Lekrungrangkit
Director



Mr. Pansuagn Xumsai na Ayudhya
Director / Independent director

Board of Directors of the Company

The Company has the Board of Directors consisting of 9 persons. (As at December 31, 2019)

Name	Position	Remark
1.Mr. Pongphan Sampawakoo	Chairman of the Board of Directors / Chief Executive Officer	/
2.Mr. Prakai Cholahan	Director	/
3.Mr. Virat LertSumpuncharoen	Director	/
4.Mrs.Orawan Lekrungruangkit	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

Director No. 4 Mrs.Orawan Lekrungruangkit as of effective on September 17th2019

replace of Mr.Thunwa Rungsittimongkol (Director as resigned)

(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 Sampawakoo, 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 .

Qualification 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 6persons, independent directors 5person .

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.

Various meetings of directors in 2019 are detailed as follows: (per time/ all time)

<u>Name of Directors</u>	<u>Board Meeting</u>	<u>Audit Committee Meeting</u>	<u>Annual General Meeting of Shareholders</u>
Mr. Pongphan Sampawakooop	10/11	-	1
Mr. Prakai Cholahan	11/11	-	1
Mr. Pansuagn XumsainaAyudhya	11/11	-	1
Mr. Padoongpun Jantaro	11/11	7/7	-
Mr. Chalit Satidthong	10/11	7/7	-
Mr. Siripong Silpakul	10/11	7/7	-
Mr. Chatchawan Triamvicharnkul	11/11	7/7	1
Mr. Virat Lertsumpuncharoen	11/11	-	1
Mr. Thunwa Rungsittimongkol	9/11	-	1
Mrs.Orawan Lekrungruangkit	1/1	-	-

Note : Mrs.Orawan Lekrungruangkit as of effective on September 17th2019

replacement of Mr.Thunwa Rungsittimongkol (Director as resigned)

In 2019, the Boards held 11 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.

The Executive Committees

As of 31 December 2019, APEX's the executive committees comprise of 6 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. Supa –us Tapaneeyakorn	Executives committee
5	Mrs.Orawan Lekrungruangkit	Executives committee
6	Mr. Thunwa Rungsittimongkol	Executives committee

Note : Mrs.Orawan Lekrungruangkit as of effective on September 17th2019

(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 9 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.

The Executives

As of 31st December 2019, APEX's Management comprise of 9 managements:

No	Name	Position
1	Mr. Pongphan Sampawakooop	Chief Executive Office
2	Mr. Anirut Kanchanakhuha	Chief Operation Officer
3	Mrs. Jitra Chaichan	Executive Vice President Finance & Accounting
4	Mr. Thanawat Thawornpradit	Chief Finance Officer
5	Mr. Jamnong Singha	Vice President Administration and Vice Construction
6	Mr. Virat Lertsumpuncharoen	Vice President Legal
7	Mr. Ekachaina Ranong	Vice President International Affairs and Development
8	Ms. Srisakul Burakamkovit	Vice President Purchasing
9	Mrs. Thanawan Suwanrit	VP.Human Resource & Administration

Note : The Management No.2 take a position on 4th June 2019

The Management No.4 take a position on 1st July 2019

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.

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 2019 held on April 26th, 2019, 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
1.Mr. Pongphan Sampawakoo	Chairman of the Board of Directors / Chief Executive Officer	100,000
2.Mr. Prakai Cholahan	Director	110,000
3.Mr. Virat Lertsumpuncharoen	Director	110,000
4.Mr. Thunwa Rungsittimongkol	Director	90,000
5..Mr. Padoongpun Jantaro	Director / Chairman of the Audit Committee / Independent director	410,000
6.Mr. Chalit Satidthong	Director / Independent director	410,000
7.Mr. Siripong Silpakul	Director / Independent director	410,000
8.Mr. Chatchawan Triamvicharnkul	Director / Audit Committee / Independent director	410,000
9.Mr. Pansuagn Xumsai na Ayudhya	Director / Independent director	110,000
10.Mrs. Orawan Lekrungruangkit	Director	10,000

(2) Other Remuneration of directors - None –

Human Resources

Remuneration

The Company has employees (APEX) totally 100 persons, divided into the followings:

Departure	Persons
Management	9
General & Admin Construction	12
Sales & Marketing	39
International. Affairs & Development	-
Finance & Accounting	13
Legal	2
Human Research / Admin/Secretary	11
Purchasing	3
Total	100

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 2019 by detail as follow :

Detail	Amount
Salary	60,267,668.00
Bonus	-
Money support providence Fund	1,205,183.00
Money support Social Security Fund	<u>787,300.00</u>
Total	<u>62,260,151.00</u>

Corporate Governance policies

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

<i>No.</i>	<i>Authority</i>	<i>Limit</i>
1	Vice President	Not over 100,000.00 baht
2	Chief Executive officer	Not over 50 million baht
3	Executive Committee	Not over 500,000,000 baht
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 contractor 's 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.
 - 2.4.1In case of before the transferring of the villas or residences and more than the guarantee from the contractors of that area.
 - 2.4.2In 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 than 100,000.00 baht
2	Chief Executive officer	Not over than 10 million baht
3	Executive Committee	Not over than 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 from 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

<i>No.</i>	<i>Authority</i>	<i>Limit</i>
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.

<i>No.</i>	<i>Authority</i>	<i>Limit</i>
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.

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 2019, 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

Nomination and Appointment of Directors and Top Executives

In 2019, 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 1 percent 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 2019, 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.

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.

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 2019, there were no insider trading cases concerning the director, top executives, and employees involved with internal information.

Audit fee

For the fiscal year 2019, the Company and its subsidiaries paid an audit fee not to exceed Baht 6,100,000 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 Policies

The company to give importance with the practice Good Corporate Governance Policy by reference of regulation standard take care for Listed Companies Thai which that established Good Corporate Governance Policy to manage by the Thai institute of Directors and cooperate The Stock Exchange of Thailand Principles of Good Corporate Governance for Listed Companies 2012 (CG Principles) and the Securities and Exchange Commission Code of Good Corporate Governance for Listed Companies 2017 (CG Code) with the purpose of creating benefits for the business sustainably to meet the aims of business sectors. In last year , company has led the principle controls to take care good business with the practice CG Code with details feature : -

1.Establish Clear Leadership Role and Responsibilities of the Board

2.Define Objectives that Promote Sustainable Value Creation

3.Strengthen Board Effectiveness

4.Ensure Effective CEO and People Management

5.Nurture innovation and Responsibility Business

6.Strengthen Effective Risk Management and Internal Control

7.Ensure Disclosure and Financial Integrity

8.Ensure Engagement and Communication with Shareholders

However, The Audit Committee have consider and study the way to operation as appropriate for discussion reviewed the aforementioned policies on a regular basis in every year which that data to conform with Good 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. 18th Floor, Zone A Tonson Tower 900 , Ploenchit Road, Lumpini Sub-district, Pathumwan district, Bangkok 10330 Tel. 02-636-2465, 081-483-2400, 081-665-2400 Fax. 02-636-2471 Email : info@apexpcl.com .

5. For 2019, the Company held the Annual General Meeting (AGM) of Shareholders on April 26th, 2018 with 6 directors attended the Meeting as follows:

	Name	Position
1	Mr. Pongphan Sampawakoo	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. Siripong Silpakul	Director / Audit Committee / Independent director
6	Mr. Chatchawan Triamvicharnkul	Director / Audit Committee / Independent director
7	Mr. Pansuagn Xumsai na Ayudhya	Director / Independent director

6. The 2019 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](mailto: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 2019, there were no insider trading cases concerning the director, top executives, and employees involved with internal information.

Preventing Conflicts 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 Company 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 18th Floor, Zone A Tonson Tower 900 ,
Ploenchit Road, Lumpini Sub-district, Pathumwan district, Bangkok 10330 Tel. 02-636-2465, 081-483-2400,
081-665-2400 , Fax 02-636-2471 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 the company'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 2019, 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 persons) 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; manage human resources in line with the prescribed policy; resolve problems or conflicts that affect the Company; and maintain effective communication with the stakeholders.

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 2019 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 proper 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 2019 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 internal 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 2019 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 7 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 2019 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 2018 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 2019, the majority of the Company's shares are held by Sampawakoo family by 47.50 % (2018 : 45.84%) of the Company's authorised share capital.

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
Mai Khao Beach Hotel Co., Ltd.	Common directors and direct shareholding
World Record Sailing Yacht Co., Ltd.	Common directors and direct shareholding
Apex Krabi Development Co., Ltd.	Common directors and direct shareholding
Andaman Hotel Co., Ltd	Common directors and indirect shareholding
Long Beach Hotel Co., Ltd	Common directors and indirect 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:

1) Significant transactions

	Consolidated financial statements		Separate financial statements		Pricing policies
	2019	2018	2019	2018	
	Baht	Baht	Baht	Baht	
Transfer of land					
Subsidiary	-	-	64,037,940	-	Contract price
Indirect subsidiary	-	-	5,659,800	-	Contract price
	-	-	69,697,740	-	
Transfer of construction in progress					
Subsidiary	-	-	24,542,257	-	Contract price
Indirect subsidiary	-	-	1,693,620	-	Contract price
	-	-	26,235,877	-	
Interest expenses					
Related parties (Shareholders/directors)	961,216	2,171,174	961,216	2,117,174	Contract rate

2) Outstanding balances

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Other account receivable				
Subsidiary	-	-	79,096,771	2,760,000
Indirect subsidiary	-	-	8,762,173	-
	-	-	87,858,944	2,760,000
Accrued interest expenses				
Related parties (Shareholders/directors)	133,721	231,825	133,721	231,825

3) Short-term borrowings from a related party

Short-term borrowings from a related party as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Related parties				
(Shareholders/ directors)	22,700,000	75,000,000	22,700,000	75,000,000
	22,700,000	75,000,000	22,700,000	75,000,000

As at 31 December 2019 and 2018, borrowings from related parties have the following conditions:

Short-term borrowings from	Terms of payment	Interest rate per annum (%)		Collateral
		2019	2018	
Shareholders/director	At call	4.0	2.5 - 4.0	-

The movements of short-term borrowings from related parties for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
As at 1 January	75,000,000	9,000,000	75,000,000	9,000,000
<u>Add</u> Addition	49,000,000	127,500,000	49,000,000	127,500,000
<u>Less</u> Repayments	(101,300,000)	(61,500,000)	(101,300,000)	(61,500,000)
As at 31 December	22,700,000	75,000,000	22,700,000	75,000,000

4) Key management compensation

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Short-term employee benefits	24,727,700	26,118,398	24,727,700	26,118,398
Post-employee benefits	1,376,041	9,791,492	1,376,041	9,791,492
	26,103,741	35,909,890	26,103,741	35,909,890
Directors' remuneration				
Short-term employee benefits	2,180,000	2,180,000	2,180,000	2,180,000

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, according 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.

- Investments in subsidiaries as at 31 December 2019 and 2018 comprise the following:

Subsidiaries	Business Type	Country of incorporation	2019			
			%Ownership interest	%Voting power	Paid-up capital Baht	Cost method Baht
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	100	100	468,900,000	468,899,700
<u>Less</u> Reclassified to non-current assets held for sale			(50)	(50)	(234,450,000)	(234,450,000)
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	50	50	234,450,000	234,449,700
Apex Asset Co., Ltd.	Real estate	Thailand	100	100	1,000,000	999,500
Mai Khao Beach Hotel Co., Ltd.	Real estate	Thailand	100	100	1,250,000	1,249,925
World Record Sailing Yacht Co., Ltd.	Organise sport competition	Thailand	100	100	250,000	249,925
Apex Krabi Development Co. Ltd.	Real estate	Thailand	100	100	232,000,000	<u>231,999,960</u>
						468,949,010

Indirect subsidiaries	Business Type	Country of incorporation	2019			
			%Ownership interest	%Voting power	Paid-up capital Baht	Cost method Baht
Andaman Hotel Co., Ltd.	Real estate	Thailand	100	100	290,000,000	289,999,925
Long Beach Hotel Co., Ltd.	Real estate	Thailand	100	100	123,000,000	<u>122,999,925</u>
						412,999,850

As at 31 December 2019, investments in Grand Bay Hotel Co., Ltd., (subsidiary), is classified as non-current assets held for sale because the Company entered into a joint venture agreement with a company

Subsidiaries	Nature of business	Country of incorporation	2018			
			%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
						<u>469,299,050</u>

The movements of investment in subsidiaries for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Opening balance	-	-	469,299,050	450,079,700
Additions during the year	-	-	236,599,810	19,219,350
Disposals during the year	-	-	(2,499,850)	-
Reclassifications to non-current assets held for sale	-	-	(234,450,000)	-
Closing balance	-	-	468,949,010	469,299,050

Financial Position & Consolidated Financial Performance

Compare Statement of Financial Position 3 year of Company

Statement of Financial Position

Statement of Financial Position	Audited Financial Statements					
	31-Dec-17		31-Dec-18		31-Dec-19	
	Million THB	%	Million THB	%	Million THB	%
Assets						
<u>Current Assets</u>						
Cash and cash equivalents	82.55	4.03	13.63	0.47	35.56	0.94
Short-term investments, net	0.22	0.01	0.20	0.01	10.19	0.27
Trade and other receivables	21.02	1.03	38.54	1.33	38.87	1.03
Short-term loans	6.08	0.30	-	-	-	-
Land and real estate for sales	259.53	12.69	156.75	5.43	119.44	3.17
Land and real estate under development	1,280.53	62.59	2,239.94	77.56	3,013.32	80.06
Other current assets	34.76	1.70	37.98	1.32	50.73	1.35
Non-current assets held for sale	-	-	-	-	352.79	9.37
Total current assets	1,684.69	82.34	2,487.04	86.12	3,620.89	96.20
<u>Non-Current Assets</u>						
	-	-	-	-	-	-
Restricted deposits at a bank	1.30	0.06	2.30	0.08	1.98	0.05
Advance payments for business investment	79.04	3.86	79.40	2.75	-	-
Land and real estate sold with long-term income guarantee/buy-back condition	155.58	7.60	-	-	-	-
Plant and equipment, net	58.66	2.87	58.66	2.03	58.66	1.56
Intangible assets, net	41.29	2.02	40.79	1.41	43.92	1.17
Deferred tax assets, net	4.11	0.20	13.71	0.47	27.22	0.72
Prepaid withholding tax	-	-	-	-	-	-
Other non-current assets	20.25	0.99	14.51	0.50	7.73	0.21
Other non-current assets	1.00	0.05	191.51	6.63	3.56	0.09
Total non-current assets	361.24	17.66	400.88	13.88	143.10	3.80
Total Assets	2,045.93	100.00	2,887.92	100.00	3,763.96	100.00

Statement of Financial Position	Audited Financial Statements					
	31-Dec-17		31-Dec-18		31-Dec-19	
	Million THB	%	Million THB	%	Million THB	%
Liabilities and Equity						
Trade and other payables	82.40	4.03	320.05	11.08	433.67	11.52
Short-term borrowings	119.50	5.84	636.70	22.05	1,301.92	34.59
Current portion of long-term loans from financial institutions	43.10	2.11	43.93	1.52	36.35	0.97
Current portion of finance lease liabilities	0.84	0.04	0.87	0.03	0.61	0.02
Current portion of debentures (net)	-		-		733.49	19.49
Deposits and advances received from customers	192.59	9.41	266.17	9.22	410.29	10.90
Provision for guaranteed returns	-		4.61	0.16	0.54	0.01
Provision for delivery delay	1.10	0.05	-		7.13	0.19
Deposit received from shares of subsidiaries	-		-		167.00	4.44
Other current liabilities	2.52	0.12	16.31	0.56	357.88	9.51
Liabilities directly associated with non-current assets held for sale	-		-		6.81	0.18
Total current liabilities	442.04	21.61	1,288.64	44.62	3,455.68	91.81
Non-current liabilities						
	-		-		-	
Long-term borrowings from financial institutions	15.16	0.74	98.27	3.40	16.08	0.43
Finance lease liabilities	1.68	0.08	0.81	0.03	0.43	0.01
Unearned revenue	94.13	4.60	94.13	3.26	94.13	2.50
Debentures, net	769.93	37.63	783.16	27.12	-	
Deferred tax liabilities, net	5.23	0.26	8.58	0.30	10.81	0.29
Employee benefit obligations	12.64	0.62	13.62	0.47	7.65	0.20
Total Non-Current Liabilities	898.77	43.93	998.56	34.58	129.10	3.43
Total Liabilities	1,340.81	65.54	2,287.20	79.20	3,584.78	95.24
Equity						
Share capital						
Authorised share capital	2,249.89		2,249.89		2,249.89	
Issued and paid-up share capital	1,499.93		1,999.90		1,999.90	
Discount on share capital	-		(300.39)		(300.39)	
Deficits	(794.82)		(1,098.80)		(1,520.34)	
Other components of equity	0.02		-		0.00	
Total Equity	705.12	34.46	600.72	20.80	179.18	4.76
Total Liabilities and Equity	2,045.93	100.00	2,887.92	100.00	3,763.96	100.00

Statement of Comprehensive Income

Statement of Comprehensive Income	Audited Comprehensive Income Statements					
	31-Dec-17		31-Dec-18		31-Dec-19	
	Million THB	%	Million THB	%	Million THB	%
Revenue from sales of land and real estate	312.51	92.74	176.57	89.99	84.42	88.66
Revenue from decoration service	16.80	4.99	5.93	3.02	2.60	2.73
Revenue from rental service	7.65	2.27	13.72	6.99	8.20	8.61
Total Revenue	336.96	100.00	196.22	100.00	95.22	100.00
Cost of sales of land and real estate	(190.39)	(60.92)	(102.05)	(57.80)	(53.07)	(62.86)
Cost of decoration service	(11.16)	(66.43)	(4.72)	(79.60)	(2.10)	(80.77)
Cost of rental service	(22.86)	(298.82)	(33.22)	(242.13)	(12.68)	(154.63)
Total Cost	(224.41)	(66.60)	(139.99)	(71.34)	(67.85)	(71.26)
Gross profit	112.55	33.40	56.23	28.66	27.37	28.74
Interest income	1.50	0.45	3.17	1.62	2.81	2.95
Other income	3.20	0.95	2.21	1.13	0.82	0.86
Gain(loss) from exchange rate (net)	0.00	0.00	0.27	0.14	(0.18)	(0.19)
Profit before expenses	117.25	34.80	61.88	31.54	30.82	32.37
Selling and servicing expenses	(80.69)	(23.95)	(93.93)	(47.87)	(62.01)	(65.12)
Administrative expenses	(82.92)	(24.61)	(100.69)	(51.32)	(129.57)	(136.07)
Finance costs	(38.80)	(11.51)	(158.10)	(80.57)	(243.56)	(255.79)
Other gains-reversal of provision for delivery delay(1)	3.46		-		(7.13)	(7.49)
Total expenses	(198.95)	(59.04)	(352.72)	(179.76)	(442.27)	(464.47)
Profit (Loss) before income tax	(81.70)	(24.25)	(290.84)	(148.22)	(411.45)	(432.10)
Income tax	(31.53)	(9.36)	(12.09)	(6.16)	(9.76)	(10.25)
Profit (Loss) for the year	(113.23)	(33.60)	(302.93)	(154.38)	(421.21)	(442.40)
Other comprehensive income						
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Remeasurements of employment benefit obligations	(1.55)		(1.29)		(0.43)	
Income tax relating to items that will not be reclassified to profit or loss	0.31		0.26		0.09	

Remeasurements of employment benefit obligations, net of tax	(1.24)		(1.03)		(0.34)	
<u>Items that will be reclassified subsequently to profit or loss</u>						
Gain (loss) on remeasurement of investments	0.01		0.02		0.00	
Income tax relating to items that will be reclassified to profit or loss	0.00		0.00		(0.00)	
Gain (Loss) on remeasurement of investments, net of tax	0.01		0.02		0.00	
Other comprehensive income (loss) for the year, net of tax	(1.23)		(1.01)		(0.34)	
Total comprehensive income (loss) for the year	(114.45)		(303.94)		(421.55)	
Earnings (Loss) per share						
Basic earnings (loss) per share (THB)	(0.04)		(0.08)		(0.11)	

Statement of Cash Flows

Statement of Cash Flows	Audited Cash Flows Statements		
	31-Dec-17	31-Dec-18	31-Dec-19
	Million THB	Million THB	Million THB
Cash flows from operating activities			
Profit (Loss) before income tax	(81.69)	(290.85)	(411.44)
Adjustments:			
Depreciation	3.14	4.58	4.98
Amortisation	0.02	4.60	6.06
Loss on write-off of fixed assets	-	-	-
Allowance for doubtful account	0.03	12.78	4.14
Gain from sale of investment	(0.13)	-	-
Net loss (gain) from disposals of plant and equipment	-	-	(0.01)
Allowance for impairment of plant and equipment (reversal)	-	-	-
Provision for delivery delay (reversal) (1)	(3.46)	-	7.13
Provision for guaranteed returns (reversal)	(7.64)	4.61	(4.07)
Employee benefit obligations	1.57	1.87	2.13
Allowance for non-returnable	-	-	11.38
Interest income	(1.50)	(3.17)	(2.81)
Finance costs – Interest expenses	38.80	158.10	243.56
	(50.88)	(107.48)	(138.95)
Changes in working capital			
Trade and other receivables	8.58	(22.03)	(8.78)
Land and real estate for sales	155.41	102.78	37.31
Land and real estate under development costs	(400.64)	(799.96)	(1,098.09)
Other current assets	(18.42)	(3.23)	(12.75)
Deposits	-	-	-
Other non-current assets	3.45	(190.50)	176.56
Trade and other payables	(46.54)	228.40	51.94
Provision for guaranteed returns	-	-	-
Provision for delivery delay	(0.42)	(1.10)	-
Deposits and advances received from customers	82.08	73.58	144.12
Other current liabilities	(0.65)	13.79	(8.42)
Unearned revenue	-	-	-
Benefits paid	-	(2.18)	(8.53)

Statement of Cash Flows (Cont.)

Income tax paid	-	-	-
Interest received	0.36	0.25	0.23
Finance cost paid	(49.50)	(85.17)	(170.96)
Withholding tax paid	(4.32)	(2.74)	(0.87)
Net cash generated from (used in) operating activities	(321.51)	(795.57)	(1,037.18)
<u>Cash flows from investing activities</u>			
Restricted deposits at bank	(1.30)	(1.00)	0.32
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)	-	(10.00)
Cash receipt from notes receivable	-	-	40
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	2.32	-	-
Cash receipt from deferred interest from notes receivable	1.69	2.38	2.01
Purchase of plant and equipment	(6.76)	(4.08)	(7.83)
Proceed from disposal of plant and equipment	-	-	0.01
Purchase of intangible assets	(0.30)	(4.29)	(15.56)
Cash payment for investment in subsidiaries	-	-	-
Advance paymentst for business investment	(80.18)	-	-
Cash receipt from deposits received for subsidiary shares	-	-	167.00
Net cash used in investing activities	(164.53)	(6.99)	175.96
<u>Cash flows from financing activities</u>			
Payment of finance lease liabilities	(1.44)	(0.84)	(0.90)
Proceeds from short-term borrowings from related parties	3.00	127.50	49.00
Repayments of short-term borrowings from related parties	(187.93)	(61.50)	(101.30)
Proceeds of short-term loans	311.02	505.00	1,773.14
Repayments of short-term loans	(296.13)	(64.00)	(642.28)
Cash payments for loans fee and deferred interest from loan from financial institution	(18.63)	(55.02)	(69.69)
Proceeds from long-term borrowing from financial institutions	17.00	109.00	-
Repayments of long-term borrowing from financial institutions	(8.75)	(23.89)	(90.36)
Cash payments for loans fee and deferred interest	-	(2.20)	(2.28)
of long-term borrowings from financial institutions	-	-	-
Cash receipts from debentures	699.00	-	160.00

Cash payment for front end fees	(34.24)	-	(8.13)
Repayments of debentures	-	-	(184.00)
Proceeds from issue of increase shares, net	-	199.59	-
Proceeds from issue of ordinary shares, net	-	-	-
Net cash received from financing activities	482.90	733.63	883.20
Net increase (decrease) in cash and cash equivalents	(3.14)	(68.93)	21.97

Statement of Cash Flows (Cont.)

Cash and cash equivalents - beginning balance	85.69	82.55	13.63
Cash and cash equivalents – ending balance	82.55	13.63	35.60
Supplementary information for cash flows			
<u>Non-cash transaction</u>			
Transfer of bills of exchange into debentures	101.00	-	-
Payables from purchase of Intangible asset	-	9.92	13.94
Payables from purchase of plant and equipment	-	-	0.02
Payables from finance lease	-	-	0.26
Advance payment for investment transferred to land and real estate under development		155.58	-
Repayments of debentures with bills of exchange	-	-	40.00
Non-current assets held for sale	-	-	352.79
Liabilities directly associated with asset held for sale	-	-	(6.81)
Short-term borrowings transferred to other current liabilities	-	-	350.00

Financial Ratio Analysis

Financial Ratio	Unit	Audited financial statements		
		31-Dec-17	31-Dec-18	31-Dec-19
<u>Liquidity Ratio</u>				
Current ratio	Times	4	1.93	1.05
Quick ratio	Times	0.41	0.04	0.01
<u>Activity Ratio</u>				
Account Receivable Turnover	Times	11.9	6.92	4.94
Average Collection Period (Days)	Days	30.68	52.73	73.86
Fixed Asset Turnover	Times	8.74	5.16	1.38
Account Payable Turnover	Times	1.97	0.74	0.18
Average Payment Period (Days)	Days	184.87	490.25	2,027.38
Cash Cycle (Days)	Days	1,458.64	4,379.28	12,919.93
Inventory Turnover	Times	0.23	0.08	0.02
Average Sale Period (Days)	Days	1,612.83	4,816.80	14,873.45
Total Asset Turnover	Times	0.19	0.09	0.03
<u>Leverage Ratio</u>				
D/E Ratio	Times	1.9	3.81	20.01
Interest Coverage	Times	n/a	n/a	n/a
<u>Profitability Ratio</u>				
Gross Profit Margin	%	33.76	27.32	28.75
Net Profit Margin	%	n/a	n/a	n/a
Return on Asset	%	n/a	n/a	n/a
Return on Equity	%	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 2017, 2018 and 2019 were 312.51 million THB and 176.57 million THB, and 84.42 million THB or equivalent to 92.74% ,89.99% and 88.66%of total revenue from sales and services, respectively. The revenue recognitions can be summarized as follows:

Statement of Comprehensive Income	Audited Comprehensive Income Statements					
	31 Dec 2017		31 Dec 2018		31 Dec 2019	
	Million THB	%	Million THB	%	Million THB	%
Revenue from sales	312.51	92.74	176.57	89.99	84.42	88.66
Service income from decoration services	16.80	4.99	5.93	3.02	2.60	2.73
Service income from rental services	7.65	2.27	13.72	6.99	8.20	8.61
Total revenue from sales and services	336.96	100	196.22	100.00	95.22	100.00

In 2019 the revenue from sales of land and real estate was reduced at 52.19% in comparison with the previous year, or as much as 92.15 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. In addition, the project under development in Phuket has been delayed in the construction that resulted of being unable to transfer ownership in the year 2019.

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. Instalments 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 recognized 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 2017, 2018 and 2019 were 16.80 million THB , 5.93 million THB, and 2.60 million THB, or equivalent to 4.99% , 3.02% and 2.73% 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 2017, 2018 and 2019 were 7.56 million THB , 13.72 million THB, and 8.20 million THB or equivalent to 2.27% , 6.99% and 8.61% 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, gain (loss) from exchange rate , restaurant and cleaning income. In 2017, 2018 and 2019 were 4.7 million THB, 5.56 million THB and 3.45 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 2017, 2018 and 2019 the Company had cost of sales and services at 520.39 million THB, 190.39 million THB and 102.05 million THB and 53.07 million THB or equivalent to 60.92%, 57.80% and 62.86% of total revenue from sales and services of the Company, respectively. While cost of services including cost of decoration services in 2017, 2018 and 2019 was 66.43 million THB, 79.60 million THB and 80.77 million THB or equivalent to 66.43%, 79.60% and 80.77% of the revenue from sales of decoration service, respectively.

As for the cost of rental for 2017, 2018 and 2019, the company had cost at 22.86 million THB, 33.22 million THB and 12.68 million THB or 298.82%, 242.13 % and 154.63 % of rental income ,respectively.

Gross profit and gross profit margin

For the year 2017, year 2018 and year 2019, the company has gross profit at 112.56 million THB, 56.30 million THB and 27.37 million THB or the gross profit margin were at 33.40%, 28.70% and 28.74% of the total revenue, respectively which were close to the year 2018.

Selling and service expenses

During 2016 – 2018 the Company had expenses in sales and services 80.69 million THB, 93.93 million THB and 62.01 million THB or equivalent to 23.95%, 47.87% and 65.12% of total revenue from sales and services, respectively. The most of expenses in 2017 – 2019 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 2019 the Company began to have service expenses due to the campaign and advertisement for the new project of “ The Residence at Sheraton Phuket Grand Bay”in Phuket and “The Residence at Club Med” in Krabi. Accordingly, the proportion of selling and service expenses in sales and services to total income from sales and services in 2019 became remarkably increased in comparison with the previous year.

Administration Expenses

In 2017 – 2019 the Company had administration expenses 82.92 million THB, 100.69 million THB and 129.57 million THB or equivalent to 24.61%, 51.32% and 136.07% of total revenue from sales and services of the Company. Most of administration expenses were from the provision of deposits for land and provision for doubtful accounts. If excluded, the administrative expenses were closed to the year 2019

Net Profit (Loss) and Net Profit Margin

During 2017 – 2019 the Company had net loss at 113.23 million THB ,302.93 million THB and 421.21 million THB ,respectively. The net loss caused by the lower number of condominium units and villas waiting for sale and transferring in comparison with the previous year. In addition, the company has not yet recognized revenue from “The Residence at Sheraton Phuket” because it delayed on construction. Moreover, Administrative expenses increased due to the provision for delayed ownership transfer of condominium units and provision of loss from land sales and provision for doubtful accounts. Also, in the year 2019, the company had a financing to purchase land which is a future project development in 2020. The heavy investment by leverage using result in significant increase in the cost of financing and interest in the year 2019.

(2) The analysis of financial position

Assets

At the end of 2017 – 2019, the Company had total assets at 2,045.93 million THB, 2,887.92 million THB and 3,763.96 million THB, respectively. The major assets increased from 2018 by land and real estate under development. The Company have invested to purchase land in order to expand business in year 2019.

Liabilities

At the end of 2017- 2019 the Company had total liabilities at 1,340.81 million THB, 2,287.2 million THB and 3,548.78 million THB, respectively. The major liabilities increased by financing of short-term borrowings from financial institutions, and the issuance of debentures. The main objective of using fund was served as the Company' investment in land and working capital.

Equity

At the end of 2017- 2019 the Company had total equities at 705.12 million THB, 600.72 million THB and 179.18 million THB, respectively. The major equities increased by net loss of year 2019 as mention above.

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

Statement of Cash Flows

Net Cash Flow from operating activities

For the year 2019, the company had net cash used in operating activities equal to 1,037.18 million THB, mainly utilizing in construction activities and purchasing of land for future project development in 2020

Net Cash Flow from investment activities

For the year 2019, the company had net cash received from investment equal to 175.96 million THB, which most of the net cash received from a deposit of shares in the subsidiary of "The Sheraton Phuket Grand Bay Hotel" . After Joint Venture ("JV") completed, JV Company will start to develop the project together.

Net Cash Flow from financing activities

For the year 2019, the company had net cash received from financing activities 883.45 million THB, most of the net cash received was short-term loans from financial institutions that are not commercial banks and the issuance of debentures. The main objective of fund using is to buy land for future development, to repay the existed loans and to serve as the company's working capital.

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 2019, 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 2019;
- 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 matters

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's financial position and business plan. Due to three-year operating loss recorded in the financial statements, and the announced C sign on its securities, the Group has limits on requests for financial support from financial institutions for the development of current and future projects. The Group's business plan includes selling land and real estate for sale and under development, extending the maturity date of debentures and finding new borrowing sources and joint venture partners. The Group management is confident that they will succeed with their business plan and will have working capital to be used for current and future project development. Thus, the financial statements for the year ended 31 December 2019 have been prepared on a going concern basis.

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
<i>Valuation of land and real estate for sale and under development</i> Land and real estate for sale and under development were the major assets of the Group as of 31 December 2019. The costs of land and real estate for sale are Baht 119.44 million and land and real estate under development are Baht 3,013.32 million as shown in Notes 14 and 15, respectively. These costs represent 83.23% 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.

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.



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 2020

APEX DEVELOPMENT PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2019

Apex Development Public Company Limited
Statement of Financial Position
As at 31 December 2019

		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Notes					
ASSETS					
Current assets					
Cash and cash equivalents	10	35,556,383	13,626,190	6,449,430	11,704,255
Short-term investments (net)	11	10,187,414	197,190	10,187,414	197,190
Other receivables (net)	12	38,867,493	38,538,215	126,473,302	40,548,215
Short-term loans (net)	13	-	-	-	-
Land and real estate for sales	14	119,438,067	156,751,744	119,438,067	156,751,744
Land and real estate under development	15	3,013,317,084	2,239,942,373	1,971,859,825	1,817,614,688
Other current assets	16	50,734,674	37,984,899	46,844,154	37,984,899
Non-current assets held for sale	17, 19	352,788,234	-	234,450,000	-
Total current assets		3,620,889,349	2,487,040,611	2,515,702,192	2,064,800,991
Non-current assets					
Restricted deposits at a bank	18	1,975,694	2,300,000	1,975,694	2,300,000
Restricted short-term investments (net)	11	-	79,403,736	-	79,403,736
Investments in subsidiaries	19	-	-	468,949,010	469,299,050
Land and real estate sold with long-term income guarantee/ buy-back condition	20	58,659,995	58,659,995	58,659,995	58,659,995
Plant and equipment (net)	21	43,923,624	40,792,282	43,677,289	40,792,282
Intangible assets (net)	22	27,224,882	13,709,955	10,596,491	13,709,955
Deferred tax assets (net)	23	-	-	5,961,960	5,555,723
Prepaid withholding tax		7,725,143	14,507,502	7,722,199	14,303,508
Other non-current assets (net)	24	3,557,165	191,506,980	3,148,205	191,506,980
Total non-current assets		143,066,503	400,880,450	600,690,843	875,531,229
Total assets		3,763,955,852	2,887,921,061	3,116,393,035	2,940,332,220

Director _____ Director _____

The accompanying notes on pages 12 to 63 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	26	433,666,720	320,045,043	337,720,893	309,414,405
Short-term borrowings	27	1,301,921,023	636,699,870	656,960,057	636,699,870
Current portion of long-term loans from financial institutions	28	36,345,950	43,928,036	36,345,950	43,928,036
Current portion of finance lease liabilities	29	607,325	871,814	607,325	871,814
Current portion of debentures (net)	30	733,494,784	-	733,494,784	-
Deposits and advances received from customers	31	410,294,031	266,170,436	399,434,431	266,170,436
Provision for guaranteed returns	32	542,080	4,614,520	542,080	4,614,520
Provision for delivery delay	33	7,129,095	-	7,129,095	-
Deposit received from shares of subsidiaries	34	167,000,000	-	167,000,000	-
Other current liabilities	35	357,875,646	16,312,031	357,734,847	16,254,774
Liabilities directly associated with non-current assets held for sale	17	6,805,836	-	-	-
Total current liabilities		3,455,682,490	1,288,641,750	2,696,969,462	1,277,953,855
Non-current liabilities					
Long-term borrowings from financial institutions	28	16,081,491	98,270,548	16,081,491	98,270,548
Finance lease liabilities	29	425,508	809,233	425,508	809,233
Unearned revenue		94,130,275	94,130,275	94,130,275	94,130,275
Debentures (net)	30	-	783,155,088	-	783,155,088
Deferred tax liabilities (net)	23	10,808,149	8,578,972	-	-
Employee benefit obligations	36	7,650,602	13,616,965	7,650,602	13,616,965
Total non-current liabilities		129,096,025	998,561,081	118,287,876	989,982,109
Total liabilities		3,584,778,515	2,287,202,831	2,815,257,338	2,267,935,964
Equity					
Share capital	37				
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		1,999,900,000	1,999,900,000	1,999,900,000	1,999,900,000
Discount on share capital		(300,385,000)	(300,385,000)	(300,385,000)	(300,385,000)
Deficits		(1,520,341,385)	(1,098,797,532)	(1,398,382,967)	(1,027,119,506)
Other components of equity	38	3,664	762	3,664	762
Equity attributable to owners of the parents		179,177,279	600,718,230	301,135,697	672,396,256
Non-controlling interest		58	-	-	-
Total equity		179,177,337	600,718,230	301,135,697	672,396,256
Total liabilities and equity		3,763,955,852	2,887,921,061	3,116,393,035	2,940,332,220

The accompanying notes on pages 12 to 63 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenue from sales of land and real estate		84,418,635	176,567,630	84,418,635	176,567,630
Revenue from decoration service		2,597,193	5,926,927	2,597,193	5,926,927
Revenue from service		8,202,381	13,716,717	8,202,381	13,716,717
Cost of sales of land and real estate		(53,070,040)	(102,049,932)	(53,070,040)	(102,049,932)
Cost of decoration service		(2,101,648)	(4,719,998)	(2,101,648)	(4,719,998)
Cost of service		(12,675,706)	(33,219,220)	(12,675,706)	(33,219,220)
Gross profit		27,370,815	56,222,124	27,370,815	56,222,124
Interest income		2,814,992	3,174,048	2,713,241	3,168,955
Other income (net)		821,480	2,207,577	824,992	2,202,312
Gain(loss) from exchange rate (net)		(180,604)	266,519	508,396	266,519
Profit before expenses		30,826,683	61,870,268	31,417,444	61,859,910
Selling and servicing expenses		(62,007,524)	(93,931,191)	(52,779,651)	(93,931,191)
Administrative expenses		(129,569,256)	(100,691,870)	(119,257,567)	(99,659,132)
Finance costs (net)	40	(243,560,546)	(158,099,950)	(216,045,891)	(159,423,879)
Loss from provision for delivery delay	33	(7,129,095)	-	(7,129,095)	-
Total expenses		(442,266,421)	(352,723,011)	(395,212,204)	(353,014,202)
Loss before income tax		(411,439,738)	(290,852,743)	(363,794,760)	(291,154,292)
Income tax	41	(9,764,044)	(12,092,748)	(7,128,630)	(12,092,748)
Loss for the year		(421,203,782)	(302,945,491)	(370,923,390)	(303,247,040)
Other comprehensive income :					
Items that will not be reclassified subsequently to profit or loss					
- Remeasurements of employment benefit obligations		(425,089)	(1,292,616)	(425,089)	(1,292,616)
- Income tax relating to items that will not be reclassified to profit or loss		85,018	258,523	85,018	258,523
- Remeasurements of employment benefit obligations, net of tax		(340,071)	(1,034,093)	(340,071)	(1,034,093)
Items that will be reclassified subsequently to profit or loss					
- Gain (loss) on remeasurement of investments		3,627	(19,745)	3,627	(19,745)
- Income tax relating to items that will be reclassified to profit or loss		(725)	3,948	(725)	3,948
- Gain (loss) on remeasurement of investments, net of tax		2,902	(15,797)	2,902	(15,797)
Other comprehensive income (loss) for the year, net of tax		(337,169)	(1,049,890)	(337,169)	(1,049,890)
Total comprehensive income (loss) for the year		(421,540,951)	(303,995,381)	(371,260,559)	(304,296,930)
Loss per share	42				
Basic loss per share		(0.105)	(0.083)	(0.093)	(0.083)

The accompanying notes on pages 12 to 63 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 2019

Consolidated financial statements										
Note	Authorised, issued and paid-up share capital	Discount on share capital	Baht	Other components of equity						
				Deficits	Other comprehensive income (loss)		Total other components of equity	Non-controlling interest	Total Baht	
					Baht	on remeasurement of investments				Gain (loss)
Opening balance as at 1 January 2018										
Change in equity for the year										
37	1,499,925,000	-		(794,817,948)	16,559	16,559	-	-	705,123,611	
	499,975,000	(300,385,000)		-	-	-	-	-	199,590,000	
	-	-		(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	
Opening balance as at 1 January 2019										
Change in equity for the year										
	1,999,900,000	(300,385,000)		(1,098,797,532)	762	762	-	-	600,718,230	
	-	-		-	-	-	58	58	58	
	-	-		(421,203,782)	2,902	2,902	-	-	(421,200,880)	
Remeasurments of employee benefit obligations										
	-	-		(340,071)	-	-	-	-	(340,071)	
Closing balance as at 31 December 2019										
	1,999,900,000	(300,385,000)		(1,520,341,385)	3,664	3,664	58	58	179,177,337	

The accompanying notes on pages 12 to 63 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 2019

		Separate financial statements					
		Note	Authorised, issued and paid-up share capital	Discount on share capital	Deficits	Other comprehensive income (loss)	
						Gain (loss) on remeasurement of investments	Total other components of equity
			Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2018			1,499,925,000	-	(722,838,373)	16,559	777,103,186
Change in equity for the year							
Increase in share capital during the year		37	499,975,000	(300,385,000)	-	-	199,590,000
Comprehensive income (loss) for the year			-	-	(303,247,040)	(15,797)	(303,262,837)
Remeasurements 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	672,396,256
Opening balance as at 1 January 2019			1,999,900,000	(300,385,000)	(1,027,119,506)	762	672,396,256
Change in equity for the year							
Comprehensive income (loss) for the year			-	-	(370,923,390)	2,902	(370,920,488)
Remeasurements of employee benefit obligations			-	-	(340,071)	-	(340,071)
Closing balance as at 31 December 2019			1,999,900,000	(300,385,000)	(1,398,382,967)	3,664	301,135,697

The accompanying notes on pages 12 to 63 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 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Loss before income tax		(411,439,738)	(290,852,743)	(363,794,760)	(291,154,292)
Adjustments:					
Depreciation	21	4,981,244	4,583,066	4,979,688	4,583,066
Amortisation	22	6,063,663	4,597,475	3,113,464	4,597,475
Loss on written off of fixed assets	21	19	2	19	2
Gain from disposals of plant and equipment		(9,999)	-	(9,999)	-
Allowance for doubtful accounts	12, 13	4,144,863	12,781,563	3,394,863	12,781,563
Provision for delivery delay	33	7,129,095	-	7,129,095	-
Provisions for guaranteed returns (reversal)	32	(4,072,440)	4,614,520	(4,072,440)	4,614,520
Employee benefit obligations	36	2,134,548	1,867,798	2,134,548	1,867,798
Allowance for non-returnable deposits for purchase of land	24	11,375,250	-	11,375,250	-
Interest income		(2,814,992)	(3,174,048)	(2,713,241)	(3,168,955)
Finance costs (net)	40	243,560,546	158,099,950	216,045,891	159,423,879
		(138,947,941)	(107,482,417)	(122,417,622)	(106,454,944)
Changes in working capital					
- Other receivables		(8,783,904)	(22,027,573)	(91,389,368)	(15,387,970)
- Land and real estate for sales		37,313,677	102,779,320	37,313,677	102,779,320
- Land and real estate under development		(1,098,089,537)	(799,955,598)	(149,532,879)	(782,767,139)
- Other current assets		(12,749,775)	(3,225,648)	(8,859,255)	(3,225,648)
- Other non-current assets		176,564,565	(190,503,443)	176,983,525	(190,503,443)
- Trade and other payables		51,937,612	228,399,388	13,815,942	222,005,779
- Provision for delivery delay		-	(1,096,113)	-	(1,096,113)
- Deposits and advances received from customers		144,123,595	73,583,836	133,263,995	73,583,836
- Other current liabilities		(8,415,872)	13,794,048	(8,519,927)	14,254,488
- Benefits paid		(8,526,000)	(2,180,000)	(8,526,000)	(2,180,000)
Cash used in operations activities					
before interest income received and finance costs paid		(865,573,580)	(707,914,200)	(27,867,912)	(688,991,834)
Interest received		225,988	251,448	124,237	246,355
Finance cost paid		(170,960,372)	(85,171,509)	(151,677,108)	(85,171,509)
Withholding tax paid		(870,283)	(2,735,749)	(869,266)	(2,735,697)
Net cash used in operating activities		(1,037,178,247)	(795,570,010)	(180,290,049)	(776,652,685)

The accompanying notes on pages 12 to 63 are an integral part of these consolidated and separate financial statements.

Apex Development Public Company Limited
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2019

		Consolidated financial statements		Separate financial statements	
	Notes	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from investing activities					
Restricted deposits at a bank (increase)		324,306	(1,000,000)	324,306	(1,000,000)
Cash payment for notes receivable	11	(10,000,000)	-	(10,000,000)	-
Cash proceed from notes receivable	11	40,000,000	-	40,000,000	-
Cash receipt from deferred interest from notes receivable	11	2,008,907	2,381,756	2,008,907	2,381,756
Purchase of plant and equipment	21	(7,832,958)	(4,082,545)	(7,608,907)	(4,082,545)
Proceed from disposal of plant and equipment		10,000	-	10,000	-
Purchase of intangible assets	22	(15,555,115)	(4,286,560)	(5,700,383)	(4,286,560)
Cash payment for investments in subsidiaries	19	-	-	(236,599,810)	(19,219,350)
Cash receipt from disposal of investments in subsidiaries		-	-	2,499,850	-
Cash receipt from deposits received for subsidiary shares	34	167,000,000	-	167,000,000	-
Net cash received from (used in) investing activities		175,955,140	(6,987,349)	(48,066,037)	(26,206,699)
Cash flows from financing activities					
Payment of finance lease liabilities		(904,022)	(844,222)	(904,022)	(844,222)
Proceeds from short-term borrowings from related parties	25.3	49,000,000	127,500,000	49,000,000	127,500,000
Repayments of short-term borrowings from related parties	25.3	(101,300,000)	(61,500,000)	(101,300,000)	(61,500,000)
Proceeds of short-term borrowings	27	1,773,135,678	505,000,000	1,090,300,000	505,000,000
Repayments of short-term borrowings	27	(642,277,541)	(64,004,991)	(641,995,459)	(64,004,991)
Cash payments for loans fee and deferred interest short-term borrowings	27	(69,685,692)	(55,020,820)	(47,225,876)	(55,020,820)
Proceeds from long-term borrowings from financial institutions	28	-	109,000,000	-	109,000,000
Repayments of long-term borrowings from financial institutions	28	(90,363,522)	(23,891,125)	(90,363,522)	(23,891,125)
Cash payments for loans fee and deferred interest of long-term borrowings from financial institutions	28	(2,280,000)	(2,200,000)	(2,280,000)	(2,200,000)
Cash receipts from debentures	30	160,000,000	-	160,000,000	-
Repayments of debentures	30	(184,000,000)	-	(184,000,000)	-
Cash payments for front end fees	30	(8,129,860)	-	(8,129,860)	-
Proceeds from issuing share capital (net)	37	58	199,590,000	-	199,590,000
Net cash received from financing activities		883,195,099	733,628,842	223,101,261	733,628,842
Net increase (decrease) in cash and cash equivalents		21,971,992	(68,928,517)	(5,254,825)	(69,230,542)
Cash and cash equivalents - beginning balance		13,626,190	82,554,707	11,704,255	80,934,797
Cash and cash equivalents - ending balance (Included cash and cash equivalents of non-current assets held for sale)	17	35,598,182	13,626,190	6,449,430	11,704,255
Supplementary information for cash flows:					
Non-cash transaction					
Payables from purchase of Intangible asset	26	13,939,155	9,915,680	4,215,297	9,915,680
Payables from purchase of plant and equipment	26	23,840	-	-	-
Payables from finance lease		255,808	-	255,808	-
Advance payment for investment transferred to land and real estate under development		-	155,582,370	-	155,582,370
Repayments of debentures with bills of exchange	11, 30	40,000,000	-	40,000,000	-
Non-current assets held for sale	17	352,788,234	-	234,450,000	-
Liabilities directly associated with asset held for sale	17	(6,805,836)	-	-	-
Short-term borrowings transferred to other current liabilities	27, 35	350,000,000	-	350,000,000	-

The accompanying notes on pages 12 to 63 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 2019

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 900 Tonson tower, 18th floor, zone a, Ploenjit road, Lumpini, Pathumwan, Bangkok 10330.

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 2020.

2 Equity and paid-up share capital ratio

The consolidated financial statements as at 31 December 2019 show that the equity is equal to 10.54 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 has an intention to sell condominiums, villas and some pieces of land and building. At the Board of Directors' meeting no. 2/2020 held on 28 February 2020, it passed a resolution to process the additional resolving of C (Caution) sign by selling some pieces of land and forming additional joint venture partnerships in some projects. The Group's management expected to succeed within third quarter of 2020.

3 Financial position and business plan

The Group has experienced continuous operating losses for 3 years, and the consolidated and separate financial statements for the year ended 31 December 2019, present a net loss amounting to Baht 421.20 million and Baht 370.92 million, respectively (2018 : Baht 302.95 million and Baht 303.25 million, respectively). As at 31 December 2019, the Group has deficits on the consolidated and separate financial statements amounting to Baht 1,520.34 million and Baht 1,398.38 million, respectively (2018 : Baht 1,098.80 million and Baht 1,027.12 million, respectively). The consolidated financial statements as at 31 December 2019 show that the equity is equal to 10.54% 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 2019, the Group has issued and paid-up share capital of Baht 1,999.90 million (2018 : Baht 1,999.90 million). This resulted in equity in the consolidated and separate financial statements amounting to Baht 179.18 million and Baht 301.14 million, respectively (2018 : Baht 600.72 million and Baht 672.40 million, respectively).

Due to the Group's three-year operating loss recorded in the financial statements as noted above, and the announced C sign on its securities, the Group has limits on requests for financial support from financial institutions for the development of current and future Group projects. As at 31 December 2019, the Group had a large amount of liabilities and commitments from land purchasing, project development, loans, and the resulting considerable interest payable to enable the business to continue to operate. These liabilities were due to be paid within one year.

The Group has policies and business plans for selling land and real estate for sales and under development, extending the maturity date of debentures, finding new borrowing sources and joint venture partners. Business plan details:

1) Land and real estate for sale

White Sand Beach Condominium Project, Pattaya

The Group plans to accelerate sales of the remaining unsold condominium units to have them all sold by September 2020. The Group has various strategies to accomplish this, such as domestic and international public relations plans, using brokers to find new clients, marketing activities, meeting with investors who are clients of financial institutions, increasing online and offline marketing, and aligning sales prices with economic conditions. As at 28 February 2020, the Group had 19 out of 196 units remaining (31 December 2019: 20 units).

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

3 Financial position and business plan (Cont'd)

2) Land and real estate under development

2.1) White Sand Beach Residences Project, Pattaya

This project is a villas project of 34 units. As at 28 February 2020, the Group had 8 out of the total 34 units remaining (31 December 2019: 8 units).

2.2) The Residences at Sheraton Phuket Grand Bay Project, Phuket

The Group expects to start transferring ownership of certain parts of the project to the buyers during the second quarter of 2020. The entire project is scheduled to be completed by 2020. On 28 February 2020, out of 107, 63 units totaling Baht 1,247.08 million are under sale and purchase agreements (31 December 2019: 66 rooms totaling Baht 1,325.24 million).

2.3) Club Med Krabi Resort and The Residences Project, Krabi

The model rooms for this project are currently under construction. As at 28 February 2020, from a total of 64 units, 45 are under the reservation agreements and 5 are under sale and purchase agreements, all together totaling Baht 861.91 million. The project is scheduled to be completed by 2022 (31 December 2019: 48 are under the reservation agreements and 5 are under sale and purchase agreements, all together totaling Baht 931.61 million).

2.4) Land and property awaiting development

The Group plans to sell some land and real estate awaiting development to potential buyers, which includes joint investments in future project development. The estimated total value of the sales is approximately Baht 1,320 million. The Group expects that sales negotiations or the joint venture will be completed in the third quarter of 2020.

3) Extension of the maturity date of debentures

The Group requested redemption extension from debenture holders for an additional 180 days, so the debenture maturity date is now 26 August 2020, which was approved in Debenture Holders' Meeting 1/2020 on 19 February 2020 (Note 46).

4) Finding new loan sources and joint venture partners

The Group is currently negotiating with non-banking and banking financial institutions for new borrowings and joint investments. This is expected to be concluded by the second quarter of 2020.

The Group prepared the financial statements for the year ended 31 December 2019 on a going concern basis, which is based on the assumption that the Group will have working capital to be used for current and future project development from the sale of the remaining land and real estate for sale and some portions of land and real estate under development to investors or investors interested in joint ventures; funding from non-banking and banking financial institutions; and successfully negotiating with investors and domestic and foreign funding sources to invest in the Group to strengthen business security. The appropriateness of this assumption depends on the success of the negotiations with domestic and foreign funding sources. Group management is confident that they will succeed with their business plan because Group land and property assets are in good locations and the brand is well-recognised in the top-level hotel and tourism market and is of interest to many investors. As returns from real estate investment in four- and five-star hotels is still high at 6% to 10% per year from 2015 to 2019, the Group believes the return from investing in group projects is significantly higher than from savings deposit interest in financial markets.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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 Financial Reporting Standards ("TFRS") and the financial reporting requirements issued 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 TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materiality adjusted due to changes in estimates and assumption are disclosed in Note 6.

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.

4.2 New and amended financial reporting standard that are relevant and have significant impacts to the Group

4.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, Construction contracts, TAS 18, Revenue and related interpretations.

The Group has adopted the new TFRS 15, Revenue from contracts with customers from 1 January 2019 by applying the modified retrospective approach and the comparative figures have not been restated. The Group did not apply practical expedient relates to completed contracts and contract modifications as allowed by TFRS 15.

The Group's management has assessed and considered that the adoption of new standard do not have a significant impact to the Group.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.2 New and amended financial reporting standard that are relevant and have significant impacts to the Group (Cont'd)

4.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

b) Thai Accounting Standard no.28 (revised 2018), Investments in associates and joint ventures

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.

The Group's management has assessed and considered that the adoption of new standard do not have a significant impact to the Group.

c) Thai Accounting Standard no.40 (revised 2018), Investment property

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 Group's management has assessed and considered that the adoption of new standard do not have a significant impact to the Group.

d) Thai Financial Reporting Interpretation no.22 (TFRIC 22), Foreign currency transactions and advance consideration

TFRIC 22 clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The Group's management has assessed and considered that the adoption of new standard do not have a significant impact to the Group.

4.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period ended 31 December 2019 and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.2 New and amended financial reporting standard that are relevant and have significant impacts to the Group (Cont'd)

4.2.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020 (Cont'd)

Certain new and amended financial reporting standards have been issued that are not mandatory for current period ended 31 December 2019 and have not been early adopted by the Group. (Cont'd)

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 23	Borrowing cost
TAS 28	Investments in associates and joint ventures
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRS 11	Joint arrangements
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 23, Borrowing costs - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation) - enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 11, Joint arrangements - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- That the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- That the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

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
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.3 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all 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 through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Cost also includes direct attributable costs of investment.

A list of Group's principal subsidiaries is set out in Note 19.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

4.4 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and 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 the date of revaluation 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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

4.5 Cash and cash equivalents

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

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.6 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

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 costs (Note 4.15).

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

4.8 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

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 and are subsequently reclassified to profit or loss when the investment is disposed.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

4.9 Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell.

An impairment loss is recognised for write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.10 Plant and equipment

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

Subsequent costs are included in the asset's carrying amount, 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 profit or loss when 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, at the end of each reporting period.

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.

4.11 Intangible assets

Acquired intangible assets

Separately acquired intangible assets are measured at historical cost.

The assets with infinite useful life are subsequently measured at cost less impairment losses.

The assets with limited life are subsequently carried and cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Trademark licences	6 years
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Computer software

Computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 3 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

4.12 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.13 Leases

Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (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 directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 reporting date.

4.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (assets that take a substantial period of time to get ready for its intended use or sale) are added to the cost of those assets less investment income earned from those specific borrowings. The capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are expensed in the period in which they are incurred.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.16 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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.17 Employee benefits

4.17.1 Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave and profit-sharing and bonuses that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

4.17.2 Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

4.17.3 Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary 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 matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to 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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.17 Employee benefits (Cont'd)

4.17.4 Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

4.18 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 the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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 arising from a work-completion delay and the probability of compensation payment.

4.19 Share capital

Ordinary shares are classified as equity.

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

4.20 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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

4 Accounting policies (Cont'd)

4.21 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the sale and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Land development and resale

The Group develops and sells residential properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds 12 months. The transaction price is therefore not adjusted for the effects of a significant financing component.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

Percentage of completion

Revenue from decoration service contracts where a defined output is promised, is recognised using the percentage of completion method. The stage of completion is generally determined as the percentage of cost incurred up until the reporting date relative to total estimated cost, adjusted with uninstalled materials that the customer accepts and takes control but not yet installed. Where the stage of completion is not reliably measured, revenue is only recognised up to the amount of contract costs expensed, provided it is recoverable.

Incremental costs of obtaining a contract

The Group capitalises incremental costs of obtaining a contract (mainly sales commission to third parties and to employees) and amortised to selling expenses in the same pattern of related revenue recognition.

4.22 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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

5 Financial risk management

5.1 Financial risk factors

The Group expose to a variety of financial risks, market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. 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 a significant exposure to foreign exchange risk due to there are significant financial liabilities denominated in foreign currency. However, the Group considers that it is not necessary to use derivative financial instruments to mitigate such risk because 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 high risk from interest rate of borrowings from financial institutions. The Group's borrowings, for operation, have both fixed and floating rates of interest. Both interest rates are quite high.

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 in funding by selling of land and real estate for sales and under development, extending the maturity date of debentures, finding new borrowing sources and joint venture partners.

5.2 Fair value

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price by reference to the active market.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

As at 31 December 2019 and 2018, the Group's financial assets that are measured at fair value as follows:

	Consolidated and Separate financial statements	
	Level 1	
	2019 Baht	2018 Baht
Short-term investments		
Investment units	200,818	197,190

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.

See Note 28 for fair value disclosures of the long-term borrowings that are measured at fair value.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

6 Critical 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.

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.

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.

Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 36.

Provision for delivery delay

In determination of estimation of provision for delivery delay, the management consider from their past experience, possibility, and penalty rate in the contract.

7 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue 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 Segment information

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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

9 Reclassifications

The comparative figures in the consolidated and separate statements of comprehensive income for the year ended 31 December 2018 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 comprehensive income as at 31 December 2018 are summarised below:

	Consolidated financial statements		
	Before reclassification Baht	Reclassification Increase (Decrease) Baht	After reclassification Baht
Statement of comprehensive income for the year ended 31 December 2018			
Revenue from service	23,621,448	(9,904,731)	13,716,717
Cost of service	(43,045,075)	9,825,855	(33,219,220)
Other income (net)	2,580,384	(372,807)	2,207,577
Gain (loss) from exchange rate (net)	-	266,519	266,519
Administrative expenses	(100,877,034)	185,164	(100,691,870)
	Separate financial statements		
	Before reclassification Baht	Reclassification Increase (Decrease) Baht	After reclassification Baht
Statement of comprehensive income for the year ended 31 December 2018			
Revenue from service	23,621,448	(9,904,731)	13,716,717
Cost of service	(43,045,075)	9,825,855	(33,219,220)
Other income (net)	2,575,119	(372,807)	2,202,312
Gain (loss) from exchange rate (net)	-	266,519	266,519
Administrative expenses	(99,844,296)	185,164	(99,659,132)

10 Cash and cash equivalents

Cash and cash equivalents as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	202,624	224,059	180,125	211,290
Deposits held at call with banks				
- current accounts	139,738	96,045	119,788	76,045
- savings accounts	35,214,021	13,306,086	6,149,517	11,416,920
Total cash and cash equivalents	35,556,383	13,626,190	6,449,430	11,704,255

As at 31 December 2019, the interest rate of savings accounts were 0.125% to 1.500% per annum (2018 : 0.250% to 0.625% per annum).

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

11 Short-term investments (net)

Short-term investments (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 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
<u>Add</u> Unrealised gain (loss) on measurement of available-for-sale investment	(32,398)	(36,026)	(32,398)	(36,026)
	200,818	197,190	200,818	197,190
Notes receivable	10,000,000	80,000,000	10,000,000	80,000,000
<u>Less</u> Deferred interest	(13,404)	(596,264)	(13,404)	(596,264)
	9,986,596	79,403,736	9,986,596	79,403,736
Total short-term investments	10,187,414	79,600,926	10,187,414	79,600,926
<u>Less</u> Restricted short-term investments (net)	-	(79,403,736)	-	(79,403,736)
Total short-term investments (net)	10,187,414	197,190	10,187,414	197,190

During the years ended 31 December 2019 and 2018, the movements of short-term investments (net) are as follows:

	Consolidated and Separate financial statements			
	2019		2018	
	Available- for-sale Baht	Notes receivable Baht	Available- for-sale Baht	Notes receivable Baht
Opening balance	197,190	79,403,736	216,935	79,044,762
Additions during the year	-	10,000,000	-	-
Disposals during the year	-	(40,000,000)	-	-
Repayments of debentures	-	(40,000,000)	-	-
Unrealised gain (loss) on measurement of available-for-sale investment	3,628	-	(19,745)	-
Deferred interest from notes receivable	-	(2,008,907)	-	(2,381,756)
Deferred interest amortised during the year	-	2,591,767	-	2,740,730
Closing balance	200,818	9,986,596	197,190	79,403,736

As at 31 December 2019, the Company's short-term investments totaling of Baht 10.19 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 9.99 million, respectively (2018 : 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). 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, notes receivable with the face value of Baht 80 million have been pledged as collateral for debentures issuance (Note 30) according to an investor sourcing agreement made with agents. The Group present these notes receivable as restricted short-term investments (net).

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

12 Other receivables (net)

Other receivables (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Advance to contractor	38,891,308	30,888,747	38,891,308	30,888,747
<u>Less</u> Allowance for doubtful account	(5,427,163)	(2,032,300)	(5,427,163)	(2,032,300)
Advances to contractor (net)	33,424,145	28,816,447	33,424,145	28,816,447
Interest receivable - other parties	1,900,834	1,903,597	1,900,834	1,903,597
<u>Less</u> Allowance for doubtful account	(1,885,663)	(1,885,663)	(1,885,663)	(1,885,663)
Interest receivable - other parties (net)	15,171	17,934	15,171	17,934
Other accounts receivable				
- related parties (Note 25.2)	-	-	87,858,944	2,760,000
- other parties	6,297,190	6,486,125	6,104,055	6,486,125
<u>Less</u> Allowance for doubtful account				
- other parties	(4,815,000)	(4,815,000)	(4,815,000)	(4,815,000)
Other accounts receivable (net)	1,482,190	1,671,125	89,147,999	4,431,125
Prepaid expenses	2,567,645	3,741,212	2,567,645	3,741,212
Prepaid interests - for land acquisition	-	2,066,655	-	2,066,655
Advance payments - other parties (net)	1,378,342	2,224,842	1,318,342	1,474,842
Total other receivables (net)	38,867,493	38,538,215	126,473,302	40,548,215

13 Short-term loans (net)

Short-term loans (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial informations		Separate financial informations	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term loans	6,080,900	6,080,900	6,080,900	6,080,900
<u>Less</u> Allowance for doubtful account	(6,080,900)	(6,080,900)	(6,080,900)	(6,080,900)
Total short-term loans (net)	-	-	-	-

The movements of short-term loans (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated and separate financial informations	
	2019 Baht	2018 Baht
Opening balance	-	6,080,900
Additions	-	-
Repayments	-	-
Allowance for doubtful account during the year	-	(6,080,900)
Closing balance	-	-

As at 31 December 2019 and 2018, 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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

14 Land and real estate for sales

Land and real estate for sales as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Residence units	119,438,067	156,751,744	119,438,067	156,751,744
Total land and real estate for sales	119,438,067	156,751,744	119,438,067	156,751,744

During 2019, the cost of land and real estate recognised as cost of sales in the consolidated statement of comprehensive income and the separate statement of comprehensive income is Baht 53.07 million (2018 : Baht 102.05 million).

As at 31 December 2018, the assets amounting to Baht 106.11 million and Baht 44.16 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 2019.

As at 31 December 2019, the assets amounting to Baht 20.60 million, Baht 13.35 million, Baht 45.12 million and Baht 33.49 million were pledged as collateral for long-term borrowings from financial institutions, sale with right of redemption liabilities, debentures and short-term borrowings from other parties, respectively. Some parts of residence units pledged as collateral for short-term borrowings have been redeemed and transferred proprietary right to customers amounting to Baht 9.88 million in January 2020.

15 Land and real estate under development

Land and real estate under development as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Land	2,158,463,046	1,650,850,321	1,207,925,619	1,282,997,486
Construction and development costs	822,822,056	576,582,039	755,648,588	525,367,448
Borrowing costs and facility fees	32,031,982	12,510,013	8,285,618	9,249,754
Total land and real estate under development	3,013,317,084	2,239,942,373	1,971,859,825	1,817,614,688

The movements of land and real estate under development for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	2,239,942,373	1,280,530,951	1,817,614,688	876,715,654
Additions:				
Land	810,144,959	578,366,399	-	578,366,399
Construction and development costs	310,352,332	381,891,567	267,067,470	364,703,108
Borrowing costs and facility fees	25,579,197	3,873,454	4,712,258	2,549,525
Transfer to land and real estate for sales	(22,407,754)	(4,719,998)	(21,600,974)	(4,719,998)
Transfer land to a subsidiary and indirect subsidiary (Note 25.1)	-	-	(69,697,740)	-
Transfer cost of construction and development to a subsidiary and indirect subsidiary (Note 25.1)	-	-	(26,235,877)	-
Transfer to non-current assets held for sale (Note 17)	(350,294,023)	-	-	-
As at 31 December	3,013,317,084	2,239,942,373	1,971,859,825	1,817,614,688

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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

Transfer of land and cost of construction and development

On 23 April 2019, the Board of Directors' meeting no. 6/2019 passed a resolution to transfer the rights of land in Taling-Chan, Nuar-Klong, Krabi owned by the Company with area of 35 rai, 2 ngan and 71.6 square wa to Apex Krabi Development Company Limited and Long Beach Hotel Co., Ltd. totaling Baht 69,697,740. It also approved to transfer the Company's rights and duty according to 4 sale and purchase agreements for land in Taling-Chan, Nuar-Klong, Krabi with area of 232 rai, 1 ngan and 66.4 square wa to Apex Krabi Development Company Limited, Andaman Hotel Co., Ltd. and Long Beach Hotel Co., Ltd. amounting to Baht 795,714,350.

In addition, the Company transferred cost of construction and development on such pieces of land to Apex Krabi Development Company Limited and Long Beach Hotel Co., Ltd. in total amount of Baht 26,235,877 (Note 25.1)

Borrowing costs

During the year ended 31 December 2019, the Group and the Company recorded borrowing costs from specific borrowings and general borrowings as land and real estate under development amounting to Baht 25.58 million and Baht 4.71 million, respectively (2018 : Baht 3.87 million and Baht 2.55 million, respectively). The Group applied capitalisation rates of borrowings costs for specific borrowings and general borrowings at 19.50% and 12.96%, respectively (2018 : rates of borrowings costs from general borrowings at 15.49%). The capitalisation rate of specific borrowings is the rate of borrowings costs for purchasing the land for development. For general borrowings, the weighted average of the borrowings costs was applied.

Commitments

As at 31 December 2019 and 2018, 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 2019	Cost 2018	Cost 2019	Cost 2018
	Million Baht	Million Baht	Million Baht	Million Baht
Mortgaged for short-term borrowings from financial institutions	2,346.69	1,123.81	1,181.17	1,123.81
Mortgaged for secure bills of exchange	-	69.70	-	69.70
Mortgaged for long-term borrowings from financial institutions	-	144.04	-	144.04
Mortgaged for debentures	410.72	563.84	410.72	196.01

On 20 December 2019, the Company had made an addendum to the loan agreement with a company to exercise the rights according to the loan agreement to sell land title no.19676 and 62750 Maikhao sub-district, Thalang district, Phuket in order to settle short-term loan from others amounting to Baht 350 million. The Company transferred ownership of the land and received all excess amount on 14 January 2020.

16 Other current assets

Other current assets as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial informations		Separate financial informations	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Prepaid sales commission	45,840,529	37,094,839	41,950,009	37,094,839
Direct cost for investment in joint venture	4,061,000	-	4,061,000	-
Value added tax receivable	537,713	537,713	537,713	537,713
Undue input VAT	54,199	137,453	54,199	137,453
Others	241,233	214,894	241,233	214,894
Total other current assets	50,734,674	37,984,899	46,844,154	37,984,899

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

17 Non-current assets held for sale

At the Board of Directors' meeting no. 8/2019 held on 13 June 2019, it passed a resolution to sell 50% of all of the shares held in Grand Bay Hotel Co., Ltd. (a subsidiary) for a total of 2,500,000 shares to Mercurius Capital Investment Limited, a company listed under the Singapore Stock Exchange for the price of Baht 335,000,000. The reason was to invest in the Sheraton Phuket Grand Bay Resort in Ao Por, Phuket. The Company received all instalment and transferred shares in Grand Bay Hotel Co., Ltd. to Mercurius Capital Investment limited under the terms of the agreement on 7 January 2020 (Note 34). The Company classified assets and liabilities of Grand Bay Hotel Co., Ltd. as non-current assets held for sales and liabilities directly associated with non-current assets held for sale as follows:

Non-current assets held for sale in consolidated financial statements as at 31 December 2019 comprise the following:

	Consolidated financial statements
	2019 Baht
Non-current assets held for sale	
Cash and cash equivalents	41,799
Other receivables	2,240,345
Land and real estate under development (Note 15)	350,294,023
Prepaid withholding tax	202,067
Deposits	10,000
Total non-current assets held for sale	352,788,234
Liabilities directly associated with non-current assets held for sale	
Trade and other payables	6,785,323
Other current liabilities	20,513
Total liabilities directly associated with non-current assets for sale	6,805,836

Non-current assets held for sale in separate financial statements as at 31 December 2019 comprise the following:

			Separate financial statements			
			2019			
Subsidiaries	Business Type	Country of incorporation	%Ownership interest	%Voting power	Paid-up capital Baht	Cost method Baht
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	100	100	468,900,000	468,899,700
<u>Less</u> Reclassified to non-current assets held for sale			(50)	(50)	(234,450,000)	(234,450,000)
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	50	50	234,450,000	234,449,700

18 Restricted deposits at a bank

As at 31 December 2019, 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 (2018 : 1.375% per annum) (Note 43).

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

19 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2019 and 2018 comprise the following:

Subsidiaries	Business Type	Country of incorporation	2019			
			%Ownership interest	%Voting power	Paid-up capital Baht	Cost method Baht
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	100	100	468,900,000	468,899,700
<u>Less</u> Reclassified to non-current assets held for sale			(50)	(50)	(234,450,000)	(234,450,000)
Grand Bay Hotel Co., Ltd.	Real estate	Thailand	50	50	234,450,000	234,449,700
Apex Asset Co., Ltd.	Real estate	Thailand	100	100	1,000,000	999,500
Mai Khao Beach Hotel Co., Ltd.	Real estate	Thailand	100	100	1,250,000	1,249,925
World Record Sailing Yacht Co., Ltd.	Organise sport competition	Thailand	100	100	250,000	249,925
Apex Krabi Development Co. Ltd.	Real estate	Thailand	100	100	232,000,000	231,999,960
						468,949,010

Indirect subsidiaries	Business Type	Country of incorporation	2019			
			%Ownership interest	%Voting power	Paid-up capital Baht	Cost method Baht
Andaman Hotel Co., Ltd.	Real estate	Thailand	100	100	290,000,000	289,999,925
Long Beach Hotel Co., Ltd.	Real estate	Thailand	100	100	123,000,000	122,999,925
						412,999,850

As at 31 December 2019, investments in Grand Bay Hotel Co., Ltd., (subsidiary), is classified as non-current assets held for sale because the Company entered into a joint venture agreement with a company as disclosed in Note 34.

Subsidiaries	Nature of business	Country of incorporation	2018			
			%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

The movements of investment in subsidiaries for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance	-	-	469,299,050	450,079,700
Additions during the year	-	-	236,599,810	19,219,350
Disposals during the year	-	-	(2,499,850)	-
Reclassifications to non-current assets held for sale	-	-	(234,450,000)	-
Closing balance	-	-	468,949,010	469,299,050

Grand Bay Hotel Co., Ltd.

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, totaling 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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

19 Investments in subsidiaries (Cont'd)

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.

During 2019, Grand Bay Hotel Co., Ltd., the Company's subsidiary, received remaining paid-up shares at Baht 1.24 per share from increase the authorised share capital totaling 2,500,000 ordinary shares, totaling Baht 3.10 million.

Andaman Hotel Co., Ltd. and Long Beach Hotel Co., Ltd. Apex Krabi Development Hotel Co., Ltd and the Group restructuring

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 5.00 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. Each subsidiary received all paid-up for 50,000 ordinary shares at Baht 25 per share totaling Baht 2.50 million in November and December 2018.

At the Board of Directors' meeting no. 6/2019 held on 23 April 2019, it passed a resolution to establish a new subsidiary to support the management of real-estate development which is Apex Krabi Development Company Limited. The subsidiary has Baht 2.50 million registered share capital, comprising of 250,000 ordinary shares, with a par value of Baht 10 per share. The Company owns 100 percent of total shares of subsidiary. The new subsidiary registered with the Ministry of Commerce on 24 April 2019. It also passed a resolution to do the Group restructuring which transfers all of Andaman Hotel Co., Ltd. and Long Beach Hotel Co., Ltd. shares from the Company to Apex Krabi Development Company Limited in amount of paid-up share capital of these two companies, also revised the Company's regulations and directors, and increase in registered share capital of subsidiaries in order to purchase and received the right to purchase Krabi Land from the Company.

At the Extraordinary General Shareholders' meeting of Andaman Hotel Co., Ltd no. 2/2019 held on 9 May 2019, it passed a resolution to increase the authorised share capital from Baht 5.00 million to Baht 293.75 million, by issuing 2,887,500 new ordinary shares with a par value of Baht 100 per share totaling Baht 288.75 million. The Company received all paid-up on 27 May 2019 and registered with the Ministry of Commerce on 29 May 2019.

At the Extraordinary General Shareholders' meeting of Long Beach Hotel Co., Ltd no. 2/2019 held on 9 May 2019, it passed a resolution to increase the authorised share capital from Baht 5.00 million to Baht 126.75 million, by issuing 1,217,500 new ordinary shares with a par value of Baht 100 per share totaling Baht 121.75 million. The Company received all paid-up on 27 May 2019 and registered with the Ministry of Commerce on 29 May 2019.

At the Extraordinary General Shareholders' meeting of Apex Krabi Development Hotel Co., Ltd no. 1/2019 held on 9 May 2019, it passed a resolution to increase the authorised share capital from Baht 2.50 million to Baht 232.00 million, by issuing 22,950,000 new ordinary shares with a par value of Baht 10 per share totaling Baht 229.50 million. The Company received all paid-up on 27 May 2019 and registered with the Ministry of Commerce on 29 May 2019.

Mai Khao Beach Hotel Co., Ltd. and World Record Sailing Yacht Co., Ltd.

At the Board of Directors' meeting no. 1/2019 held on 10 January 2019, it 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 5.00 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. The Company owns 100 percent of total shares of both subsidiaries. The 2 new subsidiaries received paid-up for ordinary shares at Baht 25 per share totaling Baht 1.25 million and Baht 0.25 million, respectively, on 11 January 2019. Both subsidiaries registered with the Ministry of Commerce on 15 January 2019.

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

As at 31 December 2019 and 2018, 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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

21 Plant and equipment (net)

The movements of plant and equipment (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated 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
As at 1 January 2018						
Cost	32,339,652	11,966,392	1,444,249	52,390,368	-	2,982,412
Less Accumulated depreciation	(13,704,032)	(9,247,204)	(517,136)	(36,361,896)	-	-
Net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412
Year ended 31 December 2018						
Opening net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412
Additions	-	1,939,092	1,117,239	-	258,605	767,609
Write-off - cost	-	(8,453)	-	-	-	-
- accumulated depreciation	-	8,451	-	-	-	-
Transfers	-	-	-	-	3,205,856	(3,205,856)
Depreciation charge	(1,001,183)	(1,130,059)	(320,382)	(1,491,090)	(640,352)	-
Closing net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	544,165
As at 31 December 2018						
Cost	32,339,652	13,897,031	2,561,488	52,390,368	3,464,461	544,165
Less Accumulated depreciation	(14,705,215)	(10,368,812)	(837,518)	(37,852,986)	(640,352)	-
Net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	544,165
						40,792,282

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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

The movements of plant and equipment (net) for the years ended 31 December 2019 and 2018 comprise the following: (Cont'd)

	Consolidated 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
As at 1 January 2019						
Cost	32,339,652	13,897,031	2,561,488	52,390,368	3,464,461	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	40,792,282
Year ended 31 December 2019						
Opening net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	40,792,282
Additions	181,900	890,185	38,607	-	4,664	8,112,606
Disposals - cost	-	(476,150)	-	-	-	(476,150)
- accumulated depreciation	-	476,149	-	-	-	476,149
Write-off - cost	-	(419,440)	-	-	-	(419,440)
- accumulated depreciation	-	419,421	-	-	-	419,421
Depreciation charge	(1,008,352)	(1,316,963)	(471,940)	(1,491,091)	(692,898)	(4,981,244)
Closing net book amount	16,807,985	3,101,421	1,290,637	13,046,291	2,135,875	43,923,624
As at 31 December 2019						
Cost	32,521,552	13,891,626	2,600,095	52,390,368	3,469,125	112,414,181
Less Accumulated depreciation	(15,713,567)	(10,790,205)	(1,309,458)	(39,344,077)	(1,333,250)	(68,490,557)
Net book amount	16,807,985	3,101,421	1,290,637	13,046,291	2,135,875	43,923,624

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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

The movements of plant and equipment (net) for the years ended 31 December 2019 and 2018 comprise the following: (Cont'd)

	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
As at 1 January 2018						
Cost	32,339,652	11,966,392	1,444,249	52,390,368	-	2,982,412
Less Accumulated depreciation	(13,704,032)	(9,247,204)	(517,136)	(36,361,896)	-	-
Net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412
Year ended 31 December 2018						
Opening net book amount	18,635,620	2,719,188	927,113	16,028,472	-	2,982,412
Additions	-	1,939,092	1,117,239	-	258,605	767,609
Write-off - cost	-	(8,453)	-	-	-	-
- accumulated depreciation	-	8,451	-	-	-	-
Transfers	-	-	-	-	3,205,856	(3,205,856)
Depreciation charge	(1,001,183)	(1,130,059)	(320,382)	(1,491,090)	(640,352)	-
Closing net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	544,165
As at 31 December 2018						
Cost	32,339,652	13,897,031	2,561,488	52,390,368	3,464,461	544,165
Less Accumulated depreciation	(14,705,215)	(10,368,812)	(837,518)	(37,852,986)	(640,352)	-
Net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	544,165
						40,792,282

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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

The movements of plant and equipment (net) for the years ended 31 December 2019 and 2018 comprise the following: (Cont'd)

	Separated 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
As at 1 January 2019						
Cost	32,339,652	13,897,031	2,561,488	52,390,368	3,464,461	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	40,792,282
Year ended 31 December 2019						
Opening net book amount	17,634,437	3,528,219	1,723,970	14,537,382	2,824,109	40,792,282
Additions	181,900	831,294	38,607	-	4,664	7,864,715
Disposals - cost	-	(476,150)	-	-	-	(476,150)
- accumulated depreciation	-	476,149	-	-	-	476,149
Write-off - cost	-	(419,440)	-	-	-	(419,440)
- accumulated depreciation	-	419,421	-	-	-	419,421
Depreciation charge	(1,008,352)	(1,315,407)	(471,940)	(1,491,091)	(692,898)	(4,979,688)
Closing net book amount	16,807,985	3,044,086	1,290,637	13,046,291	2,135,875	43,677,289
As at 31 December 2019						
Cost	32,521,552	13,832,735	2,600,095	52,390,368	3,469,125	112,166,290
Less Accumulated depreciation	(15,713,567)	(10,788,649)	(1,309,458)	(39,344,077)	(1,333,250)	(68,489,001)
Net book amount	16,807,985	3,044,086	1,290,637	13,046,291	2,135,875	43,677,289

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

21 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost-capitalised finance leases	15,148,808	14,893,000	15,148,808	14,893,000
<u>Less</u> Accumulated depreciation	(9,264,636)	(8,374,165)	(9,264,636)	(8,374,165)
Net book amount	5,884,172	6,518,835	5,884,172	6,518,835

During 2019, depreciation expenses in the consolidated and separate financial statements amounting to Baht 4,981,244 and Baht 4,979,688, respectively. (2018 : Baht 4,583,066 are Baht 4,583,066, respectively) were recorded in administrative expenses.

On 25 December 2019, the Company entered into building unit lessor agreement which used as office with a company. Lease period is 3 years starting from 16 January 2020 to 15 January 2023. According to condition in the agreement, lessee has an option to purchase the building unit at the price specified in agreement within 1 year since the agreement is signed.

22 Intangible assets (net)

The movements of intangible assets (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		
	Trademark licenses Baht	Computer software Baht	Total Baht
As at 1 January 2018			
Cost	3,820,300	488,348	4,308,648
<u>Less</u> 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
<u>Less</u> Accumulated amortisation	(4,491,458)	(309,475)	(4,800,933)
Net book value	13,474,372	235,583	13,709,955

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

22 Intangible assets (net) (Cont'd)

The movements of intangible assets (net) for the years ended 31 December 2019 and 2018 comprise the following: (Cont'd)

	Consolidated financial statements		
	Trademark licenses Baht	Computer software Baht	Total Baht
For the year ended 31 December 2019			
Opening net book amount	13,474,372	235,583	13,709,955
Additions	19,578,590	-	19,578,590
Amortisation charge	(5,944,504)	(119,159)	(6,063,663)
Closing net book value	27,108,458	116,424	27,224,882
As at 31 December 2019			
Cost	37,544,420	545,058	38,089,478
<u>Less</u> Accumulated amortisation	(10,435,962)	(428,634)	(10,864,596)
Net book value	27,108,458	116,424	27,224,882
	Separate financial statements		
	Trademark licenses Baht	Computer software Baht	Total Baht
As at 1 January 2018			
Cost	3,820,300	488,348	4,308,648
<u>Less</u> 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
<u>Less</u> Accumulated amortisation	(4,491,458)	(309,475)	(4,800,933)
Net book value	13,474,372	235,583	13,709,955
For the year ended 31 December 2019			
Opening net book amount	13,474,372	235,583	13,709,955
Amortisation charge	(2,994,305)	(119,159)	(3,113,464)
Closing net book value	10,480,067	116,424	10,596,491
As at 31 December 2019			
Cost	17,965,830	545,058	18,510,888
<u>Less</u> Accumulated amortisation	(7,485,763)	(428,634)	(7,914,397)
Net book value	10,480,067	116,424	10,596,491

During 2019, Amortisation charge in the consolidated financial statement are Baht 119,159 and Baht 5,944,504, and separate financial statements are Baht 119,159 and Baht 2,994,305 were recorded in administrative expenses and selling expenses, respectively. (2018 : Amortisation charge in the consolidated and separate financial statements are Baht 106,017 and Baht 4,491,458 were recorded in administrative expenses and selling expenses, respectively).

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

23 Deferred income tax (net)

As at 31 December 2019 and 2018, 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 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	9,625,204	9,086,116	9,625,204	9,086,116
Deferred tax assets to be recovered after more than 12 months	8,564,807	9,758,080	8,564,807	9,758,080
Total deferred tax assets	18,190,011	18,844,196	18,190,011	18,844,196
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(13,756,734)	-	(11,121,320)	-
Deferred tax liabilities to be settled after more than 12 months	(15,241,426)	(27,423,168)	(1,106,731)	(13,288,473)
Total deferred tax liabilities	(28,998,160)	(27,423,168)	(12,228,051)	(13,288,473)
Deferred income tax (net)	(10,808,149)	(8,578,972)	5,961,960	5,555,723

The movements of deferred income tax (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	(8,578,972)	(5,226,921)	5,555,723	8,907,774
Credited (charged) to the profit or loss (Note 41)	(2,313,470)	(3,614,522)	321,944	(3,614,522)
Credited (charged) to other comprehensive income	84,293	262,471	84,293	262,471
As at 31 December	(10,808,149)	(8,578,972)	5,961,960	5,555,723

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

23 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 2018 Baht	Credited (charged) to the profit or loss Baht	Credited (charged) to other comprehensive income Baht	31 December 2018 Baht	Credited (charged) to the profit or loss Baht	Credited (charged) to other comprehensive income Baht
Deferred income tax						
Deferred tax assets						
Gain (loss) on measurement of investments	(4,139)	-	3,948	(191)	-	(725)
Unearned revenue and advance received from customers (net with real estate development costs)	18,556,688	(7,751,635)	-	10,805,053	(1,720,218)	-
Provision for delivery delay	219,223	(219,223)	-	-	1,425,819	-
Allowance for doubtful accounts	-	3,087,715	-	3,087,715	2,954,022	-
Accrued bonus	-	1,305,322	-	1,305,322	(1,305,322)	-
Provision for guaranteed returns	-	922,904	-	922,904	(814,488)	-
Employee benefit obligations	2,527,310	(62,440)	258,523	2,723,393	(1,278,291)	85,018
	21,299,082	(2,717,357)	262,471	18,844,196	(738,478)	84,293
						18,190,011
Deferred tax liabilities						
Finance lease liabilities	(1,000,557)	(50,283)	-	(1,050,840)	(55,891)	-
Prepaid sales commission	(3,475,213)	(3,943,755)	-	(7,418,968)	(971,034)	-
Debtors' front end fees	(6,013,235)	2,644,253	-	(3,368,982)	2,867,939	-
Short-term borrowings fees from financial institutions	(1,902,303)	452,620	-	(1,449,683)	(3,416,006)	-
Loss from land selling between related parties	(14,134,695)	-	-	(14,134,695)	-	-
	(26,526,003)	(897,165)	-	(27,423,168)	(1,574,992)	-
						(28,998,160)
Deferred income tax (net)	(5,226,921)	(3,614,522)	262,471	(8,578,972)	(2,313,470)	84,293
						(10,808,149)

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

23 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					
	Credited			Credited		
	1 January 2018 Baht	Credited (charged) to the profit or loss Baht	comprehensive income Baht	31 December 2018 Baht	Credited (charged) to the profit or loss Baht	comprehensive income Baht
Deferred income tax						
Deferred tax assets						
Gain (loss) on measurement of investments	(4,139)	-	3,948	(191)	-	(725)
Unearned revenue and advance received from customers						(916)
(net with real estate development costs)	18,556,688	(7,751,635)	-	(10,805,053)	(1,720,218)	9,084,835
Provision for delivery delay	219,223	(219,223)	-	-	1,425,819	1,425,819
Allowance for doubtful accounts	-	3,087,715	-	3,087,715	2,954,022	6,041,737
Accrued bonus	-	1,305,322	-	1,305,322	(1,305,322)	-
Provision for guaranteed returns	-	922,904	-	922,904	(814,488)	108,416
Employee benefit obligations	2,527,310	(62,440)	258,523	2,723,393	(1,278,291)	1,530,120
	21,299,082	(2,717,357)	262,471	18,844,196	(738,478)	18,190,011
Deferred tax liabilities						
Finance lease liabilities	(1,000,557)	(50,283)	-	(1,050,840)	(55,891)	(1,106,731)
Prepaid sales commission	(3,475,213)	(3,943,755)	-	(7,418,968)	(971,034)	(8,390,002)
Debentures' front end fees	(6,013,235)	2,644,253	-	(3,368,982)	2,867,939	(501,043)
Short-term borrowings fees from financial institutions	(1,902,303)	452,620	-	(1,449,683)	(780,592)	(2,230,275)
	(12,391,308)	(897,165)	-	(13,288,473)	1,060,422	(12,228,051)
Deferred income tax (net)	8,907,774	(3,614,522)	262,471	5,555,723	321,944	5,961,960

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

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

As at 31 December 2019 and 2018, 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Tax losses expired 2020	2,183,168	2,183,168	-	-
Tax losses expired 2021	33,107,371	33,107,371	-	-
Tax losses expired 2022	208,586,968	210,708,885	119,753,249	119,753,249
Tax losses expired 2023	323,884,243	323,884,243	322,961,863	322,961,863
Tax losses expired 2024	384,716,041	-	351,395,758	-

24 Other non-current assets (net)

Other non-current assets (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial informations		Separate financial informations	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deposits - for purchase of land (net)	-	189,430,113	-	189,430,113
- utilities	790,290	674,227	421,330	674,227
- constructions	40,000	40,000	40,000	40,000
Others	2,726,875	1,362,640	2,686,875	1,362,640
Total other non-current assets (net)	3,557,165	191,506,980	3,148,205	191,506,980

As at 31 December 2019, the Group has deposits for purchase of land amounting to Baht 11.38 million. However, management set up an allowance for impairment on remaining deposits for purchase of land amounting to Baht 11.38 million for the whole amount because the Group could not pay for the instalment amount according to the agreement, which allow those deposits may non-returnable.

As at 31 December 2018, deposits for land purchases amounting to Baht 189.43 million were deposited for entering into land sale and purchase agreement for land in Krabi, at an agreed price. During 2019, the Company transferred such deposits for land to its subsidiaries according to the Group's operation restructuring, including capital commitments (Note 43)

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

25 Related party transactions

As at 31 December 2019, the majority of the Company's shares are held by Sampawakoo family by 47.50% (2018 : 45.84%) of the Company's authorised share capital. The significant investments in subsidiaries are set out in Note 19.

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
Mai Khao Beach Hotel Co., Ltd.	Common directors and direct shareholding
World Record Sailing Yacht Co., Ltd.	Common directors and direct shareholding
Apex Krabi Development Co., Ltd.	Common directors and direct shareholding
Andaman Hotel Co., Ltd.	Common directors and indirect shareholding
Long Beach Hotel Co., Ltd.	Common directors and indirect 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:

25.1) Significant transactions

	Consolidated financial statements		Separate financial statements		Pricing policies
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	
Transfer of land					
Subsidiary (Note 15)	-	-	64,037,940	-	Contract price
Indirect subsidiary (Note 15)	-	-	5,659,800	-	Contract price
	-	-	69,697,740	-	
Transfer of construction in progress					
Subsidiary (Note 15)	-	-	24,542,257	-	Contract price
Indirect subsidiary (Note 15)	-	-	1,693,620	-	Contract price
	-	-	26,235,877	-	
Interest expenses					
Related parties (Shareholders/directors)	961,216	2,171,174	961,216	2,117,174	Contract rate

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

25 Related party transactions (Cont'd)

25.2) Outstanding balances

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Other account receivable				
Subsidiary	-	-	79,096,771	2,760,000
Indirect subsidiary	-	-	8,762,173	-
	-	-	87,858,944	2,760,000
Accrued interest expenses				
Related parties (Shareholders/directors) (Note 26)	133,721	231,825	133,721	231,825

25.3) Short-term borrowings from a related party

Short-term borrowings from a related party as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Related parties (Shareholders/ directors) (Note 27)	22,700,000	75,000,000	22,700,000	75,000,000
	22,700,000	75,000,000	22,700,000	75,000,000

As at 31 December 2019 and 2018, borrowings from related parties have the following conditions:

Short-term borrowings from	Terms of payment	Interest rate per annum (%)		Collateral
		2019	2018	
Shareholders/director	At call	4.0	2.5 - 4.0	-

The movements of short-term borrowings from related parties for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	75,000,000	9,000,000	75,000,000	9,000,000
Add Addition	49,000,000	127,500,000	49,000,000	127,500,000
Less Repayments	(101,300,000)	(61,500,000)	(101,300,000)	(61,500,000)
As at 31 December	22,700,000	75,000,000	22,700,000	75,000,000

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

25 Related party transactions (Cont'd)

25.4) Key management compensation

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term employee benefits	24,727,700	26,118,398	24,727,700	26,118,398
Post-employee benefits	1,376,041	9,791,492	1,376,041	9,791,492
	26,103,741	35,909,890	26,103,741	35,909,890
Directors' remuneration				
Short-term employee benefits	2,180,000	2,180,000	2,180,000	2,180,000

26 Trade and other payables

Trade and other payables as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade accounts payable	259,655,749	231,903,314	241,655,460	222,210,176
Other accounts payable	52,098,191	44,040,043	41,776,992	44,040,043
Retentions payable	14,316,319	6,228,098	13,930,494	6,185,598
Fixed assets payable	23,840	-	-	-
Intangible asset payable	13,939,155	9,915,680	4,215,297	9,915,680
Accrued interest expenses				
- related parties (Note 25.2)	133,721	231,825	133,721	231,825
- other parties	70,945,781	6,425,604	26,714,637	6,425,604
Accrued expenses	20,458,055	20,559,489	7,198,383	19,664,489
Accrued brand fee	2,095,909	740,990	2,095,909	740,990
Total trade and other payables	433,666,720	320,045,043	337,720,893	309,414,405

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

27 Short-term borrowings

Short-term borrowings as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Short-term borrowings from				
- a related party (Note 25.3)	22,700,000	75,000,000	22,700,000	75,000,000
- other parties	285,606,792	-	285,606,792	-
- bills of exchange	6,201,871	29,345,986	6,201,871	29,345,986
- sale with right of redemption	12,030,000	39,880,000	12,030,000	39,880,000
- financial institution	975,382,360	492,473,884	330,421,394	492,473,884
Total short-term borrowings	1,301,921,023	636,699,870	656,960,057	636,699,870

As at 31 December 2019, short-term borrowings from other parties, bills of exchange, sale with right of redemption and short-term borrowings from financial institution bearing interest rate at 7% - 15% per annum (2018 : bills of exchange, sale with right of redemption and short-term borrowings from financial institution bearing interest rate at 7% - 15% per annum). The borrowings are due for repayment within April to September 2020 (2018 : within March to May 2019).

The movements of short-term borrowings from other parties, bills of exchange, sale with right of redemption liabilities and loan from a financial institution for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowing from other parties				
Opening balance	-	-	-	-
Add Additions during the year	724,000,000	-	724,000,000	-
Less Repayments during the year	(74,000,000)	-	(74,000,000)	-
Transfer to current liabilities (Note 35)	(350,000,000)	-	(350,000,000)	-
Borrowing fee addition during the year	(18,500,000)	-	(18,500,000)	-
Amortisation of borrowing fee during the year	12,388,092	-	12,388,092	-
Deferred interest addition during the year	(16,339,726)	-	(16,339,726)	-
Amortisation of deferred interest during the year	8,058,426	-	8,058,426	-
Closing balance	285,606,792	-	285,606,792	-

During the year, the Company entered into borrowings agreement with other parties totaling to Baht 724 million, bearing interest rate at 9% - 15% per annum. The borrowings are due for repayment within September 2020. These borrowings are pledged with land and real estate for sales and land and real estate under development totaling to Baht 63.65 million and Baht 655.78 million, respectively.

On 20 December 2019, the Company had made an addendum to the loan agreement with a company to exercise the rights according to the loan agreement to sell land title no.19676 and 62750 Maikhao sub-district, Thalang district, Phuket in order to settle loan amounting to Baht 350 million and recorded as deposit received for purchase of land under other current liabilities (Note 35). The Company transferred ownership of the land and received all excess amount on 14 January 2020.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

27 Short-term borrowings (Cont'd)

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bills of exchange				
Opening balance	29,345,986	30,000,000	29,345,986	30,000,000
<u>Add</u> Additions during the year	16,300,000	30,000,000	16,300,000	30,000,000
<u>Less</u> Repayments during the year	(40,000,000)	(30,000,000)	(40,000,000)	(30,000,000)
Deferred interest addition during the year	(499,393)	(930,944)	(499,393)	(930,944)
Amortisation of deferred interest during the year	1,094,821	276,930	1,094,821	276,930
Borrowings fee addition during the year	(209,349)	-	(209,349)	-
Amortisation of borrowing fee during the year	169,806	-	169,806	-
Closing balance	6,201,871	29,345,986	6,201,871	29,345,986

As at 31 December 2019, bill of exchange with a face value amounting to Baht 6.30 million, bearing interest rate at 7% per annum was aval by a director and pledged by share capital hold by a director. Bill of exchange is due for repayment in February 2020 (2018: bill of exchange with a face value amounting to Baht 30 million, bearing interest rate at 7% per annum was aval by a director and pledged by land and real estate under development. Bill of exchange is due for repayment in May 2019.). The Company extend the maturity date of those bill of exchange to August 2020 on 21 February 2020.

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Sale with right of redemption liabilities				
Opening balance	39,880,000	23,884,991	39,880,000	23,884,991
<u>Add</u> Additions during the year	-	50,000,000	-	50,000,000
<u>Less</u> Repayments during the year	(27,850,000)	(34,004,991)	(27,850,000)	(34,004,991)
Closing balance	12,030,000	39,880,000	12,030,000	39,880,000

As at 31 December 2019, 2 units of real estate for sales were pledged as collaterals for sale with right of redemption with a financial institution for 12 months from 10 April 2019.

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 12 months from 10 April 2018.

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowing from financial institutions				
Opening balance	492,473,884	56,611,778	492,473,884	56,611,778
<u>Add</u> Additions during the year	1,032,835,678	425,000,000	350,000,000	425,000,000
<u>Less</u> Repayments during the year	(500,427,541)	-	(500,145,459)	-
Borrowings fee addition during the year	(34,137,224)	(14,980,000)	(11,677,408)	(14,980,000)
Amortisation of borrowing fee during the year	26,542,732	17,970,776	13,369,465	17,970,776
Deferred interest addition during the year	-	(39,109,876)	-	(39,109,876)
Amortisation of deferred interest during the year	1,005,382	46,981,206	1,005,382	46,981,206
Effect from effective interest rate method calculation	2,618,790	-	823,612	-
Realised gain on exchange rate (Note 40)	(6,728)	-	(1,703)	-
Unrealised gain on exchange rate (Note 40)	(45,522,613)	-	(15,426,379)	-
Closing balance	975,382,360	492,473,884	330,421,394	492,473,884

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

27 Short-term borrowings (Cont'd)

As at 31 December 2019, the Group has borrowing from financial institutions in USD currency, the remaining amount at the year ended is USD 32,536,647 and USD 11,025,787 in consolidated financial statements and separate financial statements, respectively. (2018: nil)

On 3 May 2019, the Company, together with some subsidiaries ("the Borrower") entered into a facility agreement with Eighteen Dragons Investment Limited (a non-bank financial institution), the details are as follows:

Co-Borrowers:	1. Apex Development Public Company Limited 2. Apex Krabi Development Company Limited (a subsidiary)
Lender:	Eighteen Dragons Investment Limited, a foreign company incorporated under the laws of British Virgin Islands, wholly owned by funds established and managed by Asia Debt Management Hong Kong Limited (a fund management company regulated by the securities regulatory authorities of Hong Kong with the license to be investment advisor from the securities regulatory authorities of the United States of America), which is not a related party of the Group.
Loan Amount:	USD equivalent of Baht 1,033 million, the borrowing is mutually agreed specified USD at the amount of USD 32,550,762. Such borrowing is given to the Company and the subsidiary approximately Baht 350 million and Baht 683 million, respectively.
Purposes of the Loan:	- For repayment of existing short-term loan in the amount of Baht 350 million and bill of exchange (i.e. 3 bills of exchange in the amount of Baht 10 million totalling to Baht 30 million with the due date on 17 and 21 May 2019). - For purchasing the land in Krabi province, approximately 232-1-66.4 rai, for which the Company has entered into the agreements to purchase in 2018 for development of Club Med Krabi & Residences and Sheraton Krabi & Residences in the future.
Principal Repayment Term:	On 23 May 2020 with the right of the Company to request extension of the loan term for another 12 months in accordance with the terms and conditions of relevant agreements.
Interest Rate and Consideration:	In aggregate of 15 percent per year, the Board of Directors considered that it is more appropriate than borrowing loan from financial institution as the loan amount is higher and in line with financial plan of the Company and its subsidiaries. Additionally, the interest rate that the Company usually received from Thai commercial bank is approximately 12 - 15 percent which is comparable.
Material Securities:	- Mortgage of land and buildings in Chonburi and Krabi provinces - Pledge of all shares in Apex Krabi Development Company Limited, Andaman Hotel Co., Ltd. and Long Beach Hotel Co., Ltd. - Corporate Guarantee by Andaman Hotel Co., Ltd. and Long Beach Hotel Co., Ltd. - Personal Guarantee by the major shareholder of the Company (i.e. Mr. Pongphan Sampawakooop)
Conditions:	- Completion of selling some portions of land and real estate under development by 2 December 2019. - The borrower may sell up to 49% of its shares in Grand bay Hotel Co., Ltd. to a joint venture partner.

On 12 June 2019, the Company entered into a joint venture agreement with Mercurius Capital Investment Limited which is a listed company under Singapore Stock Exchange. The agreement has a conflict condition with this borrowing agreement in term of shareholding ratio. This caused the lender to have the rights to call back all of loan principal, interest and fees or enforce any or all of security immediately. As at 31 December 2019, the Group management is under negotiation process to revise borrowing agreement condition and lender have not called for any repayment yet.

During December 2019, the Group could not sell some a portion of assets and repay loan principal amounting to Baht 420 million according to the condition of loan agreement. Thus, the borrower increased interest rate for this portion from 15% per annum to 20% per annum, effective from December 2019 onwards.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

28 Long-term borrowings from financial institutions

Long-term borrowings from financial institutions as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current				
Current portion of long-term borrowings from financial institutions	36,345,950	43,928,036	36,345,950	43,928,036
Non-current				
Long-term borrowings from financial institutions	16,081,491	98,270,548	16,081,491	98,270,548
Total	52,427,441	142,198,584	52,427,441	142,198,584

The movement of the long-term borrowings from financial institutions for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance	142,198,584	58,254,647	142,198,584	58,254,647
Add Additions during the year	-	109,000,000	-	109,000,000
Less Repayments during the year	(90,363,522)	(23,891,125)	(90,363,522)	(23,891,125)
Loans fee addition during the year	-	(1,000,000)	-	(1,000,000)
Prepaid interest addition during the year	(2,280,000)	(1,200,000)	(2,280,000)	(1,200,000)
Amortisation of prepaid interest during the year	2,315,949	272,322	2,315,949	272,322
Amortisation of deferred interest during the year	556,430	762,740	556,430	762,740
Closing balance	52,427,441	142,198,584	52,427,441	142,198,584

The long-term borrowings from financial institutions as at 31 December 2019 and 2018 comprise the following:

Outstanding borrowings (Million Baht)	Interest rate per annum (%)	Maturity date	Collateral
35.00 (2018 : 90.04)	MLR + 0.50	June 2020	- The Company's office unit - Property of other parties, directors, and a related company
- (2018 : 32.86)	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 (the borrowing and collaterals have been repaid and redeemed on 6 August 2019)
17.43 (2018 : 19.29)	12.00	August 2021	- Land and real estate for sales 4 units - Securities of director

According to condition in joint venture agreement with Mercurius Capital Investment Company Limited which disclose in Note 34, the Company has to repay some of long-term loans from financial institutions in order to redeem all of land collateral in Phuket.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

28 Long-term borrowings from financial institutions (Cont'd)

The carrying amounts and fair value of long-term borrowings are as follows:

	Consolidated and separate financial statements			
	Carrying amounts		Fair value	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Long-term borrowings	52,427,441	142,198,584	52,982,885	152,733,880

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.

29 Finance lease liabilities

Finance lease liabilities - minimum lease payments are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	660,076	947,569	660,076	947,569
Later than 1 year but not later than 5 years	453,512	848,808	453,512	848,808
<u>Less</u> Future finance charges on finance leases	(80,755)	(115,330)	(80,755)	(115,330)
Present value of finance lease liabilities	1,032,833	1,681,047	1,032,833	1,681,047

The present value of finance lease liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	607,325	871,814	607,325	871,814
Later than 1 year but not later than 5 years	425,508	809,233	425,508	809,233
Present value of finance lease liabilities	1,032,833	1,681,047	1,032,833	1,681,047

30 Debentures (net)

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.

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.

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.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

30 Debentures (net) (Cont'd)

Debentures (net) as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Debentures - par value	736,000,000	800,000,000	736,000,000	800,000,000
<u>Less</u> Prepaid underwriting fee for debentures	(2,505,216)	(16,844,912)	(2,505,216)	(16,844,912)
Debentures (net)	733,494,784	783,155,088	733,494,784	783,155,088
<u>Less</u> Current portion of debentures (net)	(733,494,784)	-	(733,494,784)	-
Debentures (net)	-	783,155,088	-	783,155,088

The movements of debentures (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening net book value	783,155,088	769,933,825	783,155,088	769,933,825
Increase in debentures during the year	160,000,000	-	160,000,000	-
Repayments of debentures during the year	(184,000,000)	-	(184,000,000)	-
Transfer from bills of exchange (Note 11)	(40,000,000)	-	(40,000,000)	-
Increase in prepaid underwriting fee during the year	(8,129,860)	-	(8,129,860)	-
Amortisation of prepaid underwriting fee during the year	22,469,556	13,221,263	22,469,556	13,221,263
Ending net book value	733,494,784	783,155,088	733,494,784	783,155,088

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, 57204, and 33561, Pa Khlok sub-district, Thalang district, Phuket.
- Securities of director

At the Board of Directors' meeting no. 8/2019 held on 7 August 2019, it passed a resolution to redeem some portions of collateral for long-term loans and pledged as an additional securities without increasing debentures for "Secured Debentures of Apex Development Public Company Limited No. 1/2017 Due 2020" which are land title deeds number 52368, 52369 and 52370 Pa Khlok Sub-district, Thalang district, Phuket, condominiums 11 units and land title deeds number 63757, 63760 and 63776 Na Jomtien Sub-district, Sattahip district, Chonburi and redeem Grand Bay Hotel Co., Ltd.'s title deeds number 23710, 23711, 54006, 52371, 57204, and 33561, Pa Khlok sub-district, Thalang district, Phuket.

The 160,000 units of secured debenture, totalling Baht 160 million, which has maturity date on 22 October 2019 were redeemed on 17 October 2019. 64,000 units of 800,000 units of secure debenture which will be matured on 28 February 2020 had been early redeemed during November and December 2019 because of investor request, totalling Baht 64 million.

At the Debenture Holders' meeting no. 1/2020 held on 19 February 2020, it passed a resolution to extend the maturity date, amend interest rate, the term of right, debentures name and the debenture's security for 736,000 units of secured debenture at Baht 1,000 per unit, totaling Baht 736 million which maturity date is on 28 February 2020 as details in Note 46.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

31 Deposits and advances received from customers

Deposits and advances received from customers as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deposits and advances received from				
- sales of land and real estate	27,029,639	39,885,677	27,029,639	39,885,677
- decoration service	-	2,490,500	-	2,490,500
- sales of land and real estate under development	383,264,392	223,794,259	372,404,792	223,794,259
	410,294,031	266,170,436	399,434,431	266,170,436

Additional information for deposits and advanced received from decoration service as at 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Decoration costs incurred plus recognised profit to date	-	9,525,851	-	9,525,851
<u>Less</u> Total billings to date	-	(12,016,351)	-	(12,016,351)
Advances received from customers	-	(2,490,500)	-	(2,490,500)

32 Provision for guaranteed returns

The movements of provision for guaranteed returns for the years ended 31 December 2019 and 2018 is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	4,614,520	-	4,614,520	-
<u>Add</u> Additions (reversal)	(4,072,440)	4,614,520	(4,072,440)	4,614,520
At 31 December	542,080	4,614,520	542,080	4,614,520

Provision for guaranteed returns determined by actual rate in guarantee contract with customers until the end of the contract within 2020.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

33 Provision for delivery delay

The movements in provision for delivery delay for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	-	1,096,113	-	1,096,113
Add Addition during the year	7,129,095	-	7,129,095	-
Less Payment during the year	-	(1,096,113)	-	(1,096,113)
As at 31 December	7,129,095	-	7,129,095	-

34 Deposit received from shares of subsidiaries

At the Board of Directors' meeting no. 8/2019 held on 13 June 2019, it passed a resolution to sell 50% of all of the shares held in Grand Bay Hotel Co., Ltd (a subsidiary) for a total of 2,500,000 shares to Mercurius Capital Investment Company Limited, a company listed under the Singapore Stock Exchange for the price of Baht 335,000,000. The reason was to invest in the Sheraton Phuket Grand Bay Resort in Ao Por, Phuket. The payment conditions are as follows:

- The 1st instalment of Baht 33,500,000 to be paid for shares transfer 10% by June 2019.
- The 2nd instalment of Baht 33,500,000 to be paid for shares transfer 10% after the release of the existing mortgage which is land of Grand Bay Hotel Co., Ltd., Pa Khlok sub-district, Thalang district, Phuket on a date to be determined by the Company.
- The 3rd instalment of Baht 67,000,000 to be paid for shares transfer 20% by July 2019 or by any later date as reasonably agreed by the parties.
- The 4th instalment of Baht 201,000,000 to be paid for remaining shares transfer 60% plus cost of construction and development of Sheraton Phuket Grand Bay Resort project incurred up to the last shares transfer date, in proportion to the shareholding ratio, by August 2019 or by any later date as reasonably agreed by the parties.

The Company will transfer shares as a security in every instalment received according to the agreement. However, the conditions in the agreement stated that Mercurius Capital Investment Limited shall not have any other rights available under this agreement as shareholders and shall not transfer, sell, or otherwise dispose of all or any part of the relevant sale shares transferred to other parties until the final instalment. Upon termination, Mercurius Capital Investment Limited shall immediately transfer back the shares previously transferred to the Company and the Company shall immediately return all of the money back.

Mercurius Capital Investment Company Limited ask to extend the 4th instalment payment to be November 2019. The Company entered into loan agreement with other party by pledging Phuket land of Grand Bay Hotel Co., Ltd. Pa Khlok sub-district, Thalang district, Phuket to be the Company working capital.

As at 31 December 2019, the Company received the 1st to the 3rd and some portion of the 4th instalment deposit for shares of its subsidiary of Baht 167,000,000 and transferred the subsidiary's shares to Mercurius Capital Investment Limited at 20%.

At the Board of Directors' meeting no. 1/2020 held on 7 January 2020, it passed a resolution to revise joint venture agreement's condition detail and last instalment payment as details in Note 46.

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

35 Other current liabilities

Other current liabilities as at 31 December 2019 and 2018 comprise the following:

	Consolidated financial informations		Separate financial informations	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deposits received for purchase of land (Note 27)	350,000,000	15,000,000	350,000,000	15,000,000
Others	7,875,646	1,312,031	7,734,847	1,254,774
Total other current liabilities	357,875,646	16,312,031	357,734,847	16,254,774

As at 31 December 2018, deposits received for purchase of land amounting to Baht 15 million was deposits received for selling land in Phuket with a buyer at an agreed price. The buyer had made a deposit amounting to Baht 15 million as a collateral. However, memorandum was terminated 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.

36 Employee benefit obligations

The amount recognised in the statement of financial position is determined as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Present value of obligations	7,650,602	13,616,965	7,650,602	13,616,965
Liability in the statement of financial position	7,650,602	13,616,965	7,650,602	13,616,965

The movements of employee benefit obligations for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
As at 1 January	13,616,965	12,636,551	13,616,965	12,636,551
Current service cost	1,992,124	1,425,519	1,992,124	1,425,519
Interest cost	142,424	442,279	142,424	442,279
Loss on remeasurement	425,089	1,292,616	425,089	1,292,616
Benefits paid	(8,526,000)	(2,180,000)	(8,526,000)	(2,180,000)
As at 31 December	7,650,602	13,616,965	7,650,602	13,616,965

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

36 Employee benefit obligations (Cont'd)

The amounts recognised in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current service cost	1,992,124	1,425,519	1,992,124	1,425,519
Interest cost	142,424	442,279	142,424	442,279
Total	2,134,548	1,867,798	2,134,548	1,867,798

The amounts recognised in other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Loss on remeasurement in the year				
Loss from change in demographic assumptions	-	178,256	-	178,256
(Gain)/loss from change in financial assumptions	577,856	(62,013)	577,856	(62,013)
Experience (gain)/loss	(152,767)	1,176,373	(152,767)	1,176,373
Loss on remeasurement in the year	425,089	1,292,616	425,089	1,292,616

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.80%	2.66%	1.80%	2.66%
Salary increase rate	5.00%	5.00%	5.00%	5.00%

Sensitivity analysis for each principal actuarial assumptions are as follows:

		Impact on defined benefit obligation - Increase (decrease)			
		Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Discount rate	Increase by 1%	Decrease by 9.21%	Decrease by 3.23%	Decrease by 9.21%	Decrease by 3.23%
Discount rate	Decrease by 1%	Increase by 10.65%	Increase by 3.72%	Increase by 10.65%	Increase by 3.72%
Salary increase rate	Increase by 1%	Increase by 9.25%	Increase by 3.59%	Increase by 9.25%	Increase by 3.59%
Salary increase rate	Decrease by 1%	Decrease by 9.03%	Decrease by 3.19%	Decrease by 9.03%	Decrease by 3.19%

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 2019, the weighted average duration of the defined benefit obligation is 16 years (2018 : 11 years).

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

37 Share capital

	Number of shares Shares	Ordinary shares Baht
Registered share capital		
As at 1 January 2018	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
Increase in registered share capital	-	-
As at 31 December 2019	4,499,775,000	2,249,887,500

	Number of shares Shares	Ordinary shares Baht	Share discount Baht	Total Baht
Issued and paid-up share capital				
As at 1 January 2018	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
Issues of shares	-	-	-	-
As at 31 December 2019	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, totalling Baht 2,249,887,500, by issuing new 1,499,925,000 ordinary shares at par value of Baht 0.50 per share, totalling 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

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

37 Share capital (Cont'd)

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).

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 2019, no warrant holders exercised their warrants. The outstanding balance of unexercised warrants to purchase ordinary share is 499,974,910 units.

38 Other components of equity, net of tax

The movements of other components of equity for the years ended 31 December 2019 and 2018 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	762	762
Increase (decrease) during the year	2,902	2,902
Closing balance	3,664	3,664

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

39 Expenses by nature

The following significant expenditures, classified by nature for the years ended 31 December 2019 and 2018, have been charged in arriving at profit (loss) before finance costs and income tax:

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Cost of land and real estate sold and decoration service	55,171,688	106,769,930	55,171,688	106,769,930
Staff costs	65,723,945	71,318,128	65,723,945	71,318,128
Sales promotion and advertising expense	30,431,029	38,130,194	30,431,029	38,130,194
Professional and consultant fees	21,205,972	13,895,622	17,479,613	12,992,722
Guaranteed returns	18,284,646	30,864,578	18,284,646	30,864,578
Allowance for doubtful accounts	4,144,863	12,781,563	3,394,863	12,781,563
Allowance for non recoverable deposits	11,375,250	-	11,375,250	-
Specific business tax	2,785,817	8,571,250	2,785,817	8,571,250

40 Finance costs (net)

Finance costs (net) for the years ended 31 December 2019 and 2018 comprise the following:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Interest expenses				
- Debentures	57,199,469	50,000,000	57,199,469	50,000,000
- Bills of exchange	1,094,821	334,440	1,094,821	334,440
- Long-term borrowings from financial institutions	10,203,007	13,024,606	10,203,007	13,024,606
- Related parties	961,217	2,471,818	961,217	2,471,818
- Sale with right of redemption	2,171,799	3,305,752	2,171,799	3,305,752
- Short-term borrowings from financial institution	133,569,061	46,981,206	68,244,967	46,981,206
- Finance lease agreements	90,152	128,033	90,152	128,033
- Short-term borrowings from other parties	33,721,739	-	33,721,739	-
- Others	-	226,027	-	226,027
Prepaid underwriting fee for debentures	22,469,556	13,221,263	22,469,556	13,221,263
Borrowing fee from long-term borrowings from financial institution	556,429	1,225,896	556,429	1,225,896
Borrowing fee from short-term borrowings from financial institution	16,729,437	17,976,229	16,729,437	17,976,229
Borrowing fee from short-term borrowings from other parties	24,225,129	-	10,471,661	-
Fee for delay payment of land acquisition	12,518,409	13,078,134	12,518,409	13,078,134
Borrowing costs eligible for capitalisation	(25,579,197)	(3,873,454)	(4,712,258)	(2,549,525)
Realised gain from exchange rate from				
- Short-term borrowings from financial institution (Note 27)	(6,728)	-	(1,703)	-
- Accrued interest expense from short-term borrowings from financial institutions	(59,259)	-	(20,081)	-
Unrealised gain from exchange rate from				
- Short-term borrowings from financial institution (Note 27)	(45,522,613)	-	(15,426,379)	-
- Accrued interest expense from short-term borrowings from financial institutions	(771,882)	-	(226,351)	-
Total finance costs (net)	243,560,546	158,099,950	216,045,891	159,423,879

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

41 Income tax

	For the years ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Current tax	-	-	-	-
Deferred tax (Note 23)	2,313,470	3,614,522	(321,944)	3,614,522
Write-off prepaid withholding tax	7,450,574	8,478,226	7,450,574	8,478,226
Total income tax	9,764,044	12,092,748	7,128,630	12,092,748

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		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
Loss before income tax	(411,439,738)	(290,852,743)	(363,794,760)	(291,154,292)
Tax rate:	20%	20%	20%	20%
The result of accounting profit multiplied by income tax rate	(82,287,948)	(58,170,548)	(72,758,952)	(58,230,858)
Tax effect of:				
Expenses not deducted for tax purpose	3,444,598	865,904	118,020	845,904
Expenses additionally deductible for tax purpose	(783,676)	(3,553)	(5,572)	(3,553)
Temporary differences for which no deferred tax was previously recognised	-	531,402	-	531,402
Tax losses for which no deferred tax was recognised	81,940,496	60,391,317	72,324,559	60,471,627
Write-off prepaid withholding tax	7,450,574	8,478,226	7,450,574	8,478,226
Tax charge	9,764,044	12,092,748	7,128,630	12,092,748

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

42 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	
	2019	2018	2019	2018
Net loss attributable to shareholders (Baht)	(421,203,782)	(302,945,491)	(370,923,390)	(303,247,040)
Weight average number of ordinary shares in issue (shares)	3,999,800,000	3,635,434,658	3,999,800,000	3,635,434,658
Basic loss per share (Baht)	(0.105)	(0.083)	(0.093)	(0.083)

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 2019.

43 Commitments and contingent liabilities

As at 31 December 2019 and 2018, the Group and the Company have commitments and contingent liabilities as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Million Baht	Million Baht	Million Baht	Million Baht
Capital commitments				
- under contracts to invest in development projects until completion	774.24	508.70	660.88	439.72
- under land purchase contract (Note 24)	-	610.65	-	610.65
- under residential marketing license agreement	13.32	4.22	4.22	4.22
- under decoration service contract	0.16	0.47	0.16	0.47
	787.72	1,124.04	665.26	1,055.06
Commitments from operating lease and service agreements				
- under operating lease and marketing agreement	23.73	7.22	23.73	7.22

Commitments under letter of guarantee

As at 31 December 2019 and 2018, the Group had letter of guarantees issued by banks as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
In respect of electricity usage	1,523,054	1,523,054	1,523,054	1,523,054
In respect of maintenance utilities	452,640	751,986	452,640	751,986
Total	1,975,694	2,275,040	1,975,694	2,275,040

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

44 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	EUR 300,000

Apex Development Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2019

44 Significant contracts (Cont'd)

On 5 February 2019, the Company has entered into agreements with hotel management company for purpose of an operation of the current and new projects in Krabi. The details of those significant contracts are as follows:

Contract	Purpose	Fee and Expense
- 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 500,000 USD 30,000 (Legal fee)
- Design Review Agreement	To provide advise design of the hotel	USD 300,000

45 Contingent liabilities

The Company is subject of a claim by one of its customers 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 waiting 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.

46 Events occurring after the reporting date

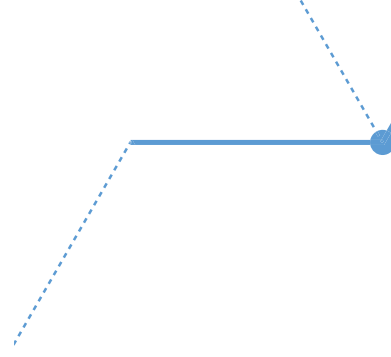
46.1 Sales of investment in Grand Bay Hotel Co., Ltd.

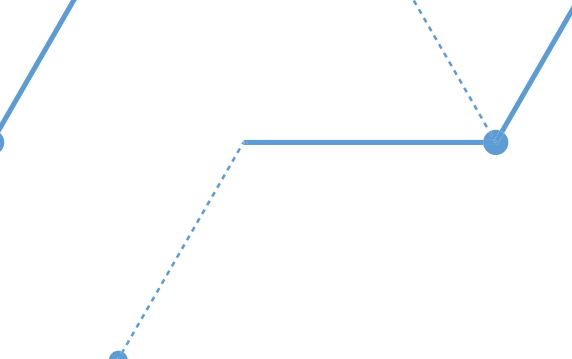
At the Board of Directors' meeting no. 1/2020 held on 7 January 2020, it passed a resolution to revise joint venture agreement by decreasing agreed purchase price from Baht 335,000,000 to Baht 304,000,000 and revise agreement's condition detail and last instalment payment. Therefore, the last instalment payment changed from Baht 201,000,000 to Baht 170,000,000. Mercurius Capital Investment Company Limited has to pay in cash amounting to Baht 70,000,000 (the Company received some portions of the last instalment payment amounting to Baht 33,000,000 on 17 December 2019) and Grand Bay Hotel Co., Ltd. will be responsible for the whole amount of short-term borrowing from another company which is a mutual borrowing with the Company amounting to Baht 200,000,000 and Mercurius Capital Investment Company Limited agreed to responsible for such debt proportionately to its shareholding (50%) totaling Baht 100,000,000, in case Grand Bay Hotel Co., Ltd. cannot repay the borrowing on time. The Company received the remaining of the last instalment amounting to Baht 37,000,000 and completely transferred Grand Bay Hotel Co., Ltd. shares to Mercurius Capital Investment Company Limited on 7 January 2020.

46.2 Extension of maturity date of debentures

At the Debenture Holders' meeting no. 1/2020 held on 19 February 2020, it passed a resolution to extend the maturity date, amend interest rate, the term of right, debentures name and the debenture's security for 736,000 units of secured debenture at Baht 1,000 per unit, totaling Baht 736 million which maturity date is on 28 February 2020 as follows:

- 1) Extend maturity date from 28 February 2020 to 26 August 2020.
- 2) Amend interest rate from 6.25% per annum to 8.25% per annum.
- 3) Amend the term of rights to redeem and repurchase by an issuer. Issuer has the rights to early redeem debentures.
- 4) Amend the name of debentures to Secured debentures of Apex Development Public Company Limited no. 1/2017, maturing in 2020 with rights for issuer early redemption.
- 5) Amend the security contract by specifying that in case an issuer exercise rights of repurchase from second tier market (or anywhere) or early redeem these debentures. The issuer has the rights to redeem assets secured under this security contract. Total amount of outstanding debentures not yet been redeemed should not be less than as specified in previous condition.





Channels of contact with the company

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