

AUSPICIOUS TIME FOR APEX'S CAPITAL INCREASED



After holding out the plan to increase capital in the mid-year 2017, BoD of APEX Development Public Company Limited or “APEX” reached the auspicious time offering 999.95 million shares to existing shareholders at 0.20 baht per share, less than the formerly offering price (0.50 baht per share).

APEX’s meeting of shareholders in August 2017 approved the increase of capital pursuant to the resolution of BoD on the condition that the increased shares would be distributed to the existing shareholders at the ratio of 3 holding shares per 1 newly issued share at 0.50 baht per share (par value: 0.50 baht) together with a warrant conferring the right to buy ordinary shares: 1 warrant per 2 newly issued shares at the exercise price of 0.50 baht.

According to the old plan, the increase in share capital would take place by the end of 2017. As the unsatisfied circumstance in securities market and APEX share price going down continuously, the BoD then postponed the mobilization of capital until the this 5th day of April on which the BoD made new resolution cancelling the issuance of convertible debentures at the limit of 500 million baht for specific investor, an open-end fund on Cayman Islands, and declaring the date of payment for increased share capital to be offered to all existing shareholders at 0.20 baht, lower than 0.50 baht as previously planned. In addition, the exercise price would be reduced from 0.50 baht to 0.40 baht as well.

This capital increase is the first time after APEX having been under business restructuring and SP sign for 18 years, was approved to be back on the board on 27th March 2017. In application for trading on the SET again, APEX was able to show profits on operation on a perpetual basis. Nevertheless, when APEX came back on the SET trade, its performance shifted to loss

situation. The net loss in 2017 was 113.22 million baht.

On the reborn date of APEX, there were mayfly investors on parade of purchasing with hope of profits. But they had to become injured and dead because the share price was pulled sharply to the top at 2.20 baht before being hit until closing at 0.96 baht. Thereafter shares of APEX had no chance to raise up, but collapsed continually. Then the capital mobilization plan had to be suspended.

Due to the offering price dropping to the board share price, the minor shareholders had no motivation to exercise the subscription right. If the management of the Company resisted demanding payment for increased share capital as previously planned, the capital increase may be failed, not meeting target of the fund mobilization.

However, although APEX management determines that this is the suitable time for capital mobilization and reduce the offering price to 0.20 baht, it is not meant that the upcoming capital increase will meet the target. As when the Company declared the date of increased share capital payment, APEX board share price responded by falling down sharply. On 9th April, the closing price was 0.26 baht, 0.06 baht down or -18.75% difference.

This shows the reflex that the investors do not consider that this new capital mobilization sounds good and the minor investors feel not sure APEX's future. They selected to sell off shares in hand for cutting loss, not adding more investment therein. Minor shareholders of APEX are 742 in number, totaling 55.16% of the registered capital. Sampawakoo Group holds the majority at 33.71%.

APEX is going to demand payment for increased share capital during 7th – 14th May. Let's wait and see whether this capital mobilization will be flopped until being postponed again or not because the sign of APEX board share price seems quite suspicious, likely to deeply down to the price of increased capital share again.

Source: 360o Daily Manager

Column: Share Man Community, Wednesday 11th April 2018