



Part 1

Business Operation

1. Business Policies and Operation

1.1 Overview of Business and Vision

Visions

Striving to be excellence in AEC with our consulting business and related business within the realm of good governance and professionalism towards sustainable society

Missions

1. Differentiate our business by
 - 1.1. Systemized work processes
 - 1.2. Develop our own information technology to achieve business competitive edge and open new business opportunities or core business with innovation
 - 1.3. Develop knowledge database and manage those knowledge objectively.
2. Develop our organization for sustainable growth by
 - 2.1. Human resource management
 - 2.2. Continuous development of our internal process.
3. Revenue growth target is 10 percent yearly through diverse sectors to achieve sustainable growth under acceptable risks.
4. Maintain net profit margin under the professional ethics and stakeholders's mutual benefit.

Values

PPS Commitment and teamwork

PPS Move forward for stakeholders' mutual benefit

PPS Knowledgeable Professional Trustworthy and Ethical

PPS Communicable skills for mutual understanding both for project goals and undisputed construction processes

PPS Trustworthy Project Manager

Strategy

1. Fully utilize information technology in our process to create business entry barrier, improve ISO 9000 quality management system with continuous development, create knowledge management system so our knowledge could be shared traced so that our competitiveness is excelled.
2. Develop our professionals to be diverse and ready to serve industrial sectors, public sector and AEC countries.
3. Clear career path for all of PPS staff.

Long Term Goals

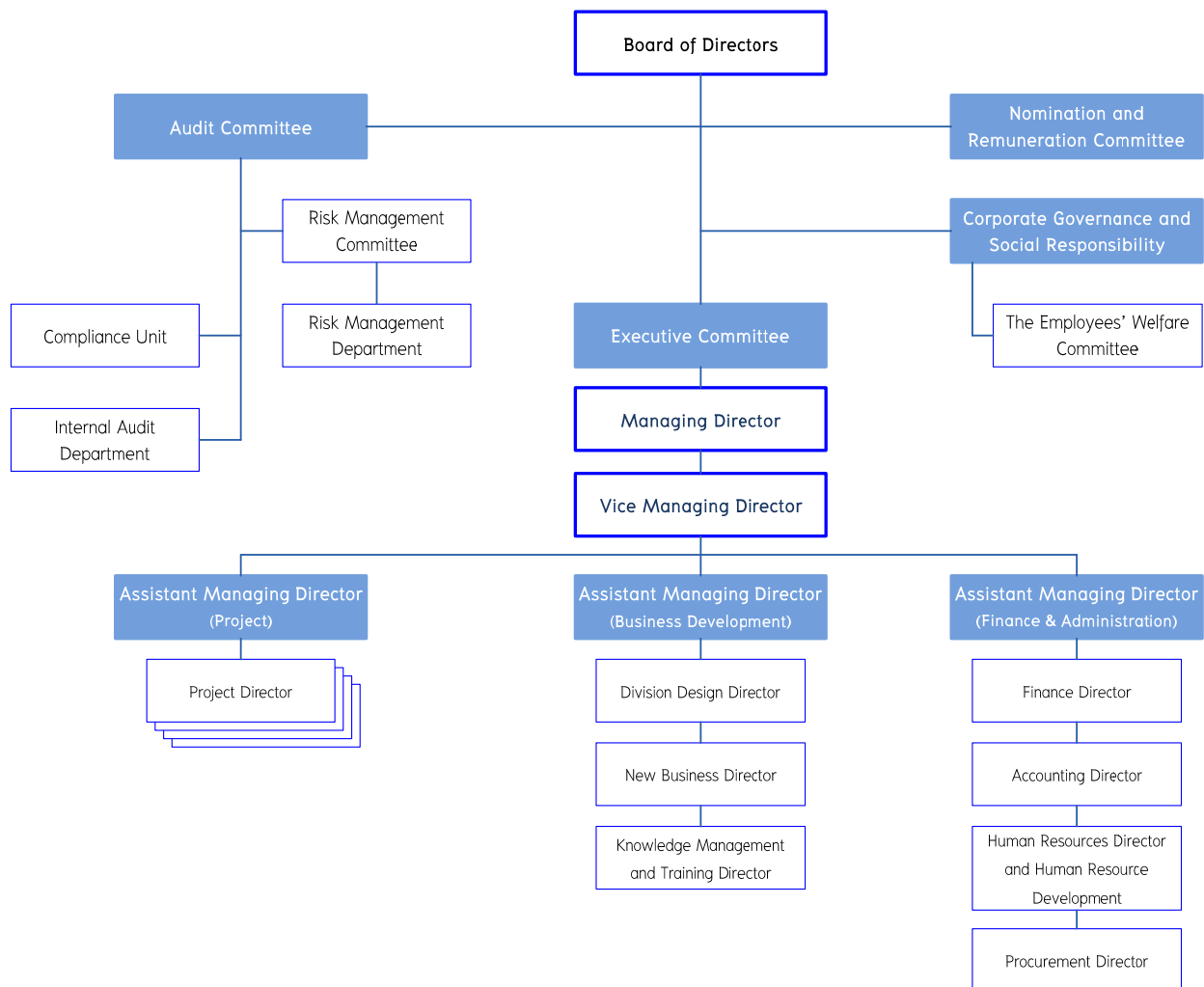
Create "Good Engineer" for "Good Engineering Society" so that Engineering Career is being accepted and honored in the society.

1. Knowledgeable engineering organization with ethical professionals
2. Sustainable revenue growth with respect to risks and economic diversity

3. AEC ready business
4. Good governance throughout business process for sustainable business society and country.

Remarks: Approved by the board of directors' meeting #4/2557 on 11 November 2014

Organization Chart of the Company



1.2 Significant developments during 2012–2014 are as followed:

Nature of Businesses

Established in 1987 by Mr.Prasong Tharachai and Mr.Somphant Hongchintakul, Project Planning Service PLC (PPS) was the first engineering consulting company with the certification of quality standard ISO 9002 from the Engineering Institute of Thailand under His Majesty the King's Patronage and EAQA (Environmental Accredited Quality Assessment) Institute in the UK since March 1999. From January 2005 to present, the company has been improving and developing the quality system until being certified with the quality standard ISO 9001:2000 from BVQI. Currently, the Company has been offering a numerous of services in management and construction supervision of construction works such as building and Infrastructure, structural & architectural works, civil works, utilities system (electrical and communication systems, mechanical systems, sanitary system and fire protection system), landscape, interior decoration including particular projects that need conversant skill for both private and public sectors. To reach clients expectation and gain trustworthiness, the company has applied ISO system to all projects and assigns the trained employee to perform internal audit along with the follow-up of BVQI for every six months. With over 28 years of management and construction supervision of construction experienced, the company has executed more than 200 domestic and cross-border projects for both private and public sectors as below:

Public Sector Projects and Public Enterprise Sector

- The Second Stage Expressway
- Water–Pipeline Project of the Metropolitan Waterworks Authority
- Sirindhorn Hospital, Bangkok
- Mass Rapid Transit Authority of Thailand (Underground Transportation Project)
- Second Bangkok International Airport – Suvarnabhumi Airport
- Communication Authority of Thailand (CAT) Building
- The Bank of Thailand New Headquarters Building
- Sirat–Outer Ring Road Expressway
- MRTA : Blue Line Extension Project
- King Chulalongkorn Memorial Hospital, Thai Red Cross Society
- Supreme Court of Thailand Building
- New Tobacco Factory Project
- Standing Buddha at Wat Thip – Kanchanaburi

Private Sector

- Grand Hyatt Erawan Hotel
- Baiyoke Tower 2
- Headquarters of Bank of Ayudhya Public Company Limited
- Information Center of Krungthai Bank Public Company Limited
- Information Center of Bangkok Bank Public Company Limited
- Thana City Project
- Jewelry Trade Center
- Gaysorn Plaza
- World Trade Center
- Central World
- Centara Grand Hotel
- Thairath TV Project
- The Paseo Town Project
- The distribution center TESCO Lotus, Lam Lukka, Khon Kaen, Surat Thani
- RHYTHM Condominium
- Central Festival Chiangmai
- Central Plaza Changwattana
- Various branches of TESCO Lotus
- Central Westgate
- Central Embassy
- The Grand Rama 9 Project
- U–Place Project
- Icon Siam C2
- Makro Stores
- Thanya Shopping Park
- Toyota Sukhapiban 3
- Mega Bangna
- I Condo Salaya

**International Sector**

- Hongsa Mine–Mouth Power Project, Laos People’s Democratic Republic

In order to grow the organization sustainably, develop the company effectively and successfully gain the business opportunities in the future, the company has become a Public Company and fundraised in MAI stock market since 2012. After fundraising in 2012, Project planning Service PLC has grown steadily both in the main business and other businesses in subsidiary and joint–venture companies. These have been in accordance with the plan to develop the Company’s capabilities beyond merely offering services of engineering advices and management of construction projects. At the moment, we have been able to offer services in various aspects including;

PPS Design Company Limited offers services in structural designs work and system building works.

Swan & Maclaren (Thailand) Company Limited offers services in architectural and interior designs. This is a joint–venture with Swan & Maclaren LLP, Singapore which is one of the oldest companies that offer services in architectural designs in Singapore.

PPS Information Consultant Company Limited offers services in information technology in particular the media and advertising media including create its own program to facilitate construction supervision

Builk Asia Company Limited offers services in information technology with regards to construction industry and expanding to e–commercial business for construction industry. The joint–venture with Builk Asia Company Limited not only increases the work potential of the Company using programmes/softwares that have been mutually developed to be used in construction industry but it also increases the investment opportunities of the Company in becoming a shareholder of Builk Asia Company Limited which is a company with potentials to develop construction technology at the national level.

In the past year, we have emphasized the preparations of the Company to accommodate the commencement of ASEAN Economic Community (AEC) to increase the level of competition to the international level especially the internal training of Company’s personnel to make sure that they have enough potential. In the last year, the Company has shown its readiness for the AEC in the main businesses. The Company has been trusted to supervise the construction of the accommodation at Hongsa Power in Laos. With regards to other businesses in subsidiary companies, PPS Design Company Limited has been granted the project of designing a mansion and 5–star apartment in Uganda.

Despite the fact that the Company has had more income channels. However, political issue since late 2013 until mid 2014 has cause deflation and has had a significant impact on the Company as an entrepreneur. The Company has solved that issue by producing plans to reduce expenses in other aspects resulting in the Company still retaining good performance records.

2014 Operating Results and Target for 2015

Project Planning Service Public Company Limited has been operating as consulting engineers and architects for more than 28 years servicing both public and private sectors. We have provide our services to more than 200 projects over the years of operation.

In the year 2014, there are projects under our operations as follows:

Building Projects

- | | |
|---|------------------|
| • Chulalongkorn Hospital | • Rama 9 Square |
| • Muaeng Thai Phatara Complex Renovation | • MegaBangna |
| • New Supreme Court House | • U–Place |
| • Rhythm Sukhumwit 36–38 and Sukhumwit 42 | • I–Condo Salaya |



- The Street Ratchada
- Central Festival Chiangmai
- Central Westgate
- Central Embassy
- Thairath TV and Facilities
- Icon Siam C2
- Thanya Shopping Park
- Toyota Sukhapiban 3
- Makro Stores
- Tesco Lotus Stores

Infrastructure Projects

- First Stage Expressway Maintenance phase 2
- First Stage Expressway Maintenance phase 3
- Hongsa Mine–Mouth Power Project, Laos People’s Democratic Republic
- MRTA Blue Line Extension
- Expressway Sriratch – Outer Ring Road

Special Project

- Standing Buddha at Wat Thip – Kanchanaburi

In 2014 total revenue of the company is 266.81 million Baht which is 9.18 percent decreasing from 2013 which the company’s revenue is 293.79 million Baht. The decline was the result of the political crisis in the first half of 2014 while there are large projects finishing off while new projects were deferred.

The profit for the year 2014 is 17.72 million Baht decreasing by 1.61 million Baht from the year 2013 which is 19.33 million Baht. A 6.72 percent decrease in comparison. The company has foreseen the revenue decline and has been managing the cost to ensure efficiency and be responsive to the political crisis.

At the end of 2014 there are 25 backlog projects with the value of 185.57 million Baht and there are 16 contracts waiting to be signed or extended with the value of 150 million Baht.

Further for our operating results mentioned, in the year 2014, the company has been pushing forward on increasing our service capability through training and modernizing the operation to differentiate our services to competitors.

In order to differentiate our services we have introduced information technology platform of communication by Google for sharing the information between sites. We have also developed a program called Project LIVE by our subsidiary – PIC. Our human resource has also been modernized by using human resource database software from ProSoft to keep track of human resource records including work experience and training records in order that we could fully utilize our people corresponding to client’s needs.

We have also continuously trained our people to support our growth and replenishing our retired staff. We have initiated a program called “PPS Future Leaders” to be the platform for the new generation to be able to show their performance and be ready to move up to become our future leaders within our organization. We have set up a reward program to reward engineers and architects who could move up their professional levels registered with the Council of Engineers and the Council of Architects. This program will help increasing their professional records when it comes to be competing and working in the public sector projects.

Internal Training Program

For internal training, the human resource team have been working on extensive training programs from both internal experts and external experts with a goal to increase our staff potential to be able to work better than competitors and also working in AEC countries. The details of our training programs are as follows:

- **Basic training for Professional Project Managers**

The course is designed to lead the trainees through the whole process of project management by in house professionals. The course explains the Pre–Construction, Construction and Post–Construction processes and shows the trainee the roles and responsibilities of all parties throughout the supply chain.

- **Construction Contract Management**

The course touches on how the local and international contracts concepts are based upon including construction insurance. This course will help the trainees to understand how the project management process relates to contracts and minimize the risks of disputes and preventing litigation.

- **Moving up to become the Project Manager**

This training course is aiming for young professionals who is ready to move up to become professional project managers. The course teaches strategic project management, documentation process, planning and scheduling including necessary techniques and software used in large scale projects management.

- **Construction Supervision Techniques**

The course is based on how to supervise the construction process to ensure expected quality as per the drawings and specifications. Quality Assurance and Quality Control activities are being trained to ensure that the process are fully understood and experience sharing and exchange are happening throughout the organization.

- **Project Administration**

This course is being tailored for the project administrators to understand necessary documentation processes involved in construction including the ISO 9000 procedures and software to be used to administrate the project from the start to finish.

- **Special / Specific Training Courses**

There are also other courses for specific skills both personal and organizational skills which relates to the company's services which are:

- English for AEC
- ISO 9000:2008 Quality Procedure
- Presentation, Negotiation and Personality Skill Training
- Competency and Performance Management
- Creative Thinking and Problem Solving

External Training Program

For external training, the accounting, finance and human resource departments staff are sent out to training programs that could help them develop better skills relating to their operations which are:

Finance Department

- Cash Flow Workshop
- Revenue and Taxation Workshop

Accounting Department

- Standard for financial report seminar (TFRS10, TFRS11, TFRS12, TAS27, TAS28 and TFRS13)
- Accounting standard, interpretation of financial report and interpretation of accounting report
- Financial report for Modern and Professional Accountants
- Taxation training for AEC
- Accounting practice for financial statement and health check with financial statements

Human Resource Department

- Labor law and regulations training
- Human resource analysis and planning training
- Staff development techniques training

In the year 2014, there are progresses for the company's subsidiaries as follows:

PPS Design (PPSD) has increased several staff positions to support their increasing workloads. Despite economic decline PPSD still has the ability to expand both domestic and international markets. The Uganda project has been ongoing since 2013 and PPSD has also been awarded another project in Kenya which is expected to be running on into 2015. PPSD has so planned to take on more projects together with PPS for some specialized structure that needs advisory. PPSD staff could be teamed up with PPS to be a structural advisor for such projects.

Swan&Maclaren Thailand (SMT) has been very active in their works concentrating on large scale projects in Thailand, Myanmar, Cambodia, Malaysia and Lao PDR. SMT was awarded a prize in the competition for concept design of the Phitsanulok Station for the High Speed Rail Projects which was held by the Ministry of Transport. The target for SMT in the year 2015 is still concentrating in the local and AEC markets especially in Myanmar.

PPS Information Consultant (PIC) which was incorporated in 2013 to service the Information Technology of PPS and taking on the market opportunities in mass media sector, has been very active. PIC has been producing videos for all of PPS training and also producing presentation videos for Tesco Lotus Bangyai and for Sanwa and Thanaphan Wood products. For the software development, PIC has been co-develop Project LIVE software service with PPS to facilitate the project management and supervision IT process of PPS. PIC has also serviced PPS in setting up the finger scanning system to all of PPS's project sites and also servicing PPS in developing and maintaining PPS's website to ensure that the website has up to date corporate information.

In the beginning of 2014, PIC has initiate the "White Engineer" project as part of the corporate social responsibilities program of PPS. The White Engineer project is aiming to promote the sustainable professionalism of engineers and also helping out good governance practice in construction business. PIC has also create mascots called Mr. P and Mr. Mole to represent their construction knowledge videos aiming to provide basic information on construction which public should know. The video series are called "Construction Knowledge from Uncle P". The White Engineer program are being promoted via Facebook page and Chang Muns blog. Apart from the free media distribution, White Engineer also has premium goods for sale and also has a radio show program called "Chang Muns" which is a radio talk show relating to construction issues aiming to provide construction knowledge to public. The program is on air every Sunday at 14:00 to 15:00 on FM 106 mHz.

For the year 2015, PIC is planning to increase their revenue by holding concert series and also continuing on with the information technology and media business. PIC also plans to gather information from project sites and creating a strong knowledge system supporting the business.

The investment in Builk Asia has been progressing well. The investment plan is five years with a software investment and business investment for a total investment of 12 million Baht. The business plan includes the expansion the current web service model to online construction market. Currently, Builk (builk.co.th) has 4,000 construction SME users with 400 Pro-Users who have been using the web service everyday. In the year 2015, Builk will start the online commerce service. Revenue could be realized from construction material sales on the website to current users.

Target for the year 2015

Revenue target for the year 2015 is planned for 300 million Baht. PPS will expand the business together with increasing our competitiveness and also seeking opportunities in investments in relating business and subsidiaries. Followings are our strategic plans.

Our main business direction in 2015 will focus on serving highly sustained and highly expand business corporations and maintain relationship in the long run such as retail business and high end residential developments. Our revenue target for this sector is 180 million Baht.

For public sector, referring to the government's plan on infrastructure especially rail and mass rapid transit projects including air transportation, we plan to increase our shares in this sector significantly with a revenue target of 90 million Baht.

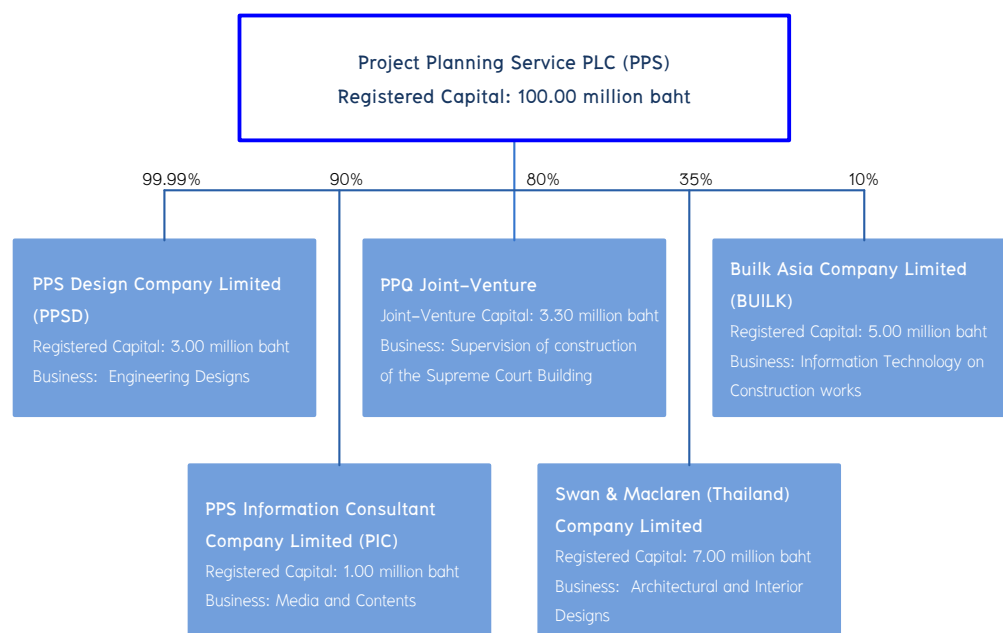
Furthermore, we will also be looking to expand our services into AEC countries apart from our project in Lao PDR. We will focus more in Myanmar which has more opportunities in design services and also be expanding with our Thai business who is expanding into AEC countries. We have a revenue target on this sector of 15 million Baht.

For the engineering and architectural design services, we will expand our services more on to industrial sector and also in international markets i.e. Myanmar and Africa with a revenue target of 10 million Baht. For the information technology and media business we have an aggregate target revenue of 15 million Baht which includes PIC mass media business and Builk Asia online commerce which should have significant revenue realization in the year 2015.

Apart from our revenue targets we will focus more on the development of the our internal processes and training. We will improve our ISO 9000 process and IT application and software to increase our efficiency and management process to ensure that we could differentiate our services from competitors which could lead to higher profit margin.

Lastly, we strongly believe that we need to promote corporate sustainability through practicing good governance and corporate social responsibilities activities. Our business will not be a sustainable business unless we have a sustainable professional society and be fair to all stakeholders throughout our business process.

1.3 Shareholding Structure



1.4 Relationship with Business units of Major share holders

- None -

2. Operation of Key Business Units

Revenue Structure

Type of Revenue (according to project type)	2012		2013		2014	
	MB	Ratio (%)	MB	Ratio (%)	MB	Ratio (%)
Revenue from Services	265.29	98.92%	290.09	99.08%	263.65	98.81%
• Office/Residential Buildings	19.62	7.31%	67.20	22.95%	87.96	32.97%
• Retail Areas/Hotels	205.85	76.75%	168.77	57.64%	131.75	49.38%
• Infrastructures/ ¹	29.73	11.08%	33.86	11.57%	32.26	12.10%
• Others/ ²	10.01	3.77%	20.25	6.92%	11.68	4.36%
Other Revenues	2.91	1.08%	2.69	0.92%	3.16	1.19%
Total Revenues	268.20	100 %	292.78	100 %	266.81	100%

Remarks Other revenues represents interest income, dividend income and other income

^{1/}: Comprises airports, hospitals, expressways, mass rapid transit and institutes

^{2/}: Comprises temples, industrial factories and showrooms

2.1 Product or Service Features

Nature of Businesses

Currently, Project Planning Service PLC (PPS) has been offering a numerous of services in management and construction supervision of construction works such as building and Infrastructure, structural & architectural works, civil works, utilities system (electrical and communication systems, mechanical systems, sanitary system and fire protection system), landscape, interior decoration including construction consultant and construction management. For the owners, the Company have provided the service of project planning, construction supervision from the beginning until handover projects and also provided the service during warranty period. The providing services of the Company are described as below:

- Project Feasibility
- Structural Design
- Quantity Survey
- Project and Lay out Planning
- Design, Review and Coordination for excellent output
- Value Engineering
- Construction Management
- Construction Permit Coordination
- Project Survey and Cost Estimation
- Construction Supervision
- Checking and Testing all Utilities before Project Handover
- Project Cost Control
- Energy Management
- Building Utilization and Building Renovation

Project Planning Service PLC (PPS) was the first engineering consulting company with the certification of quality standard ISO 9002 from the Engineering Institute of Thailand under His Majesty the King's Patronage and EAQA (Environmental Accredited Quality Assessment) Institute in the UK since March 1999. From January 2005 to present, the company has been improving and developing the quality system until being certified with the quality standard ISO 9001:2000 from BVQI. The Company has applied ISO system to all projects and assigns the trained employee to perform internal audit along with the follow-up of ISO 9001:2008 for every year. In 2014, to monitor management quality within the organization and quality of projects efficiently, the Company has divided job responsibility into 13 units.

The Providing Services of the Company for Construction Management

The providing services of the Company for construction management can be divided into 3 phase

1. Pre-Construction Phase : The Company will advise owners and give the comments when necessary and also will help and support owners to choose the appropriate contractors for projects.
2. Construction Phase : This Phase will start from construction on the first day until the last day of the construction.
3. Post-Construction Phase : This phase will start from ending of the construction until project handover.

1. Pre-Construction Phase

- 1.1 Advise about project goal planning.
- 1.2 Advise about structural management and project management system.
- 1.3 Establish project working plan for construction supervision.
- 1.4 Advise and cooperate with owners to set up Safety, Health and Environmental Care Plan (SHE) for project construction.
- 1.5 Check and review construction drawings and specifications to propose owners and also review construction drawings and specifications to save project cost.
- 1.6 Determine contract agreement between owners and contractors including payment term.
- 1.7 Advice about law and other regulations related to project construction.
- 1.8 Advice about the best choice or alternatives of project construction for making decisions.
- 1.9 Choose appropriate contractors to propose to owners.
- 1.10 Prepare bidding process to choose contractors for project constructions.
 - Make bidding documents and other regulations including recommendation for drawings and specifications and site survey.
 - Arrange a meeting to explain the TOR and answer the questions.
 - Analyze bidder qualifications.
 - Propose negotiation method.
 - Propose bidder selection method.
 - Create hiring document.
 - Prepare contract and document.

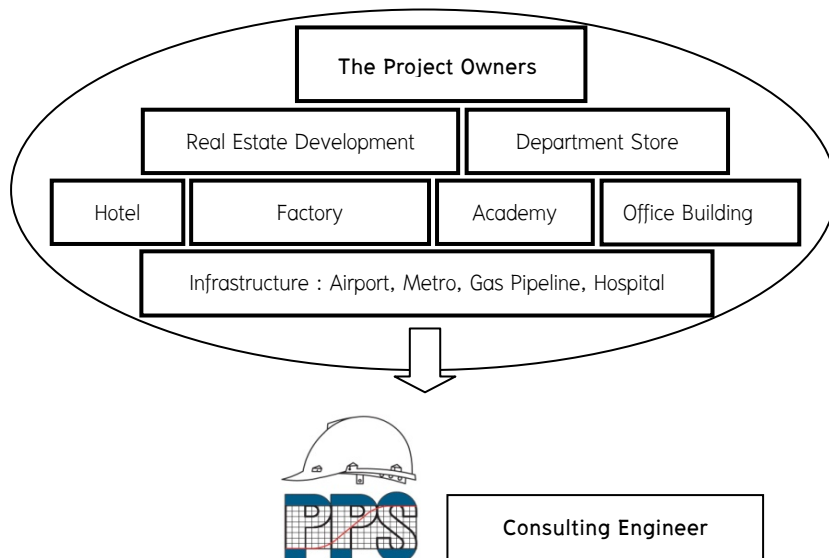
2. Construction Phase

- 2.1 Construction supervision for whole project.
- 2.2 Review material approval.
- 2.3 Review shop drawings approval.
- 2.4 Advise, recommend, revise or change construction method to make it more efficiently.
- 2.5 Set meetings with owners, contractors and/or designers to follow project progress and solve project problems.
- 2.6 Review and check working process including accelerate contractors to work follow by the schedule.
- 2.7 Check contractor payment following by contract and actual work progress.
- 2.8 Solve project problems during project construction such as drawings.
- 2.9 Explain drawings and contracts of project construction to facilitate and build the project effectively.
- 2.10 Stop project construction temporary when project construction is not safe enough to keep constructing.
- 2.11 Check material testing based on contracts.
- 2.12 Reject under standard contractor works.
- 2.13 Approve and recheck sub-contractor and contractor execution.
- 2.14 Propose suitable recommendations and appropriate solutions to compromise among other related construction departments.
- 2.15 Assist owners in several ways.
- 2.16 Report and create monthly project progress report.
- 2.17 Conclude reasons, conditions, and quantity of project variation.
- 2.18 Create cash flow evaluation to be cash flow database of owners.
- 2.19 Coordinate among contractors.
- 2.20 Recheck and advise owners about contractor's claims in case of project extension, addition works and other related topics.
- 2.21 Construction supervision, accidental and environmental protection plan from project construction, demolition and supervision of existing building demolition.
- 2.22 Coordinate among owners and owner's representatives to facilitate building utilization.

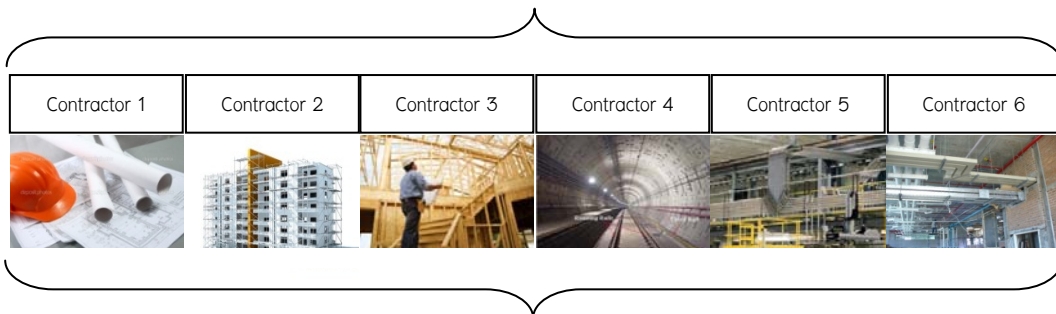
3. Post-Construction Phase

- 3.1 Set post-construction plan to manage building utilization after project operation including architectural and engineering maintenance based on warranty contracts.
- 3.2 Check defect lists and report to owners including supervise contractors to fix all defect lists completely before handover.
- 3.3 Collect and review as-built drawings of contractors and handover to owners.
- 3.4 Collect and recheck operation manual of all equipment that install in the building and handover to owners.

The Conclusion of Management and Construction Supervision



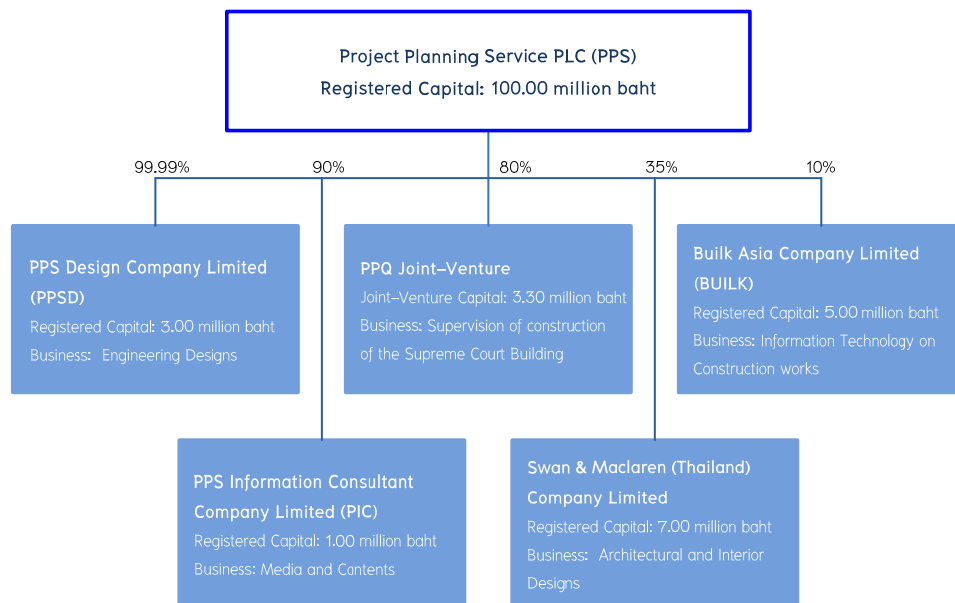
Until construction is complete.



Conducting Businesses

Overall picture of the businesses of the Company, subsidiary companies and joint-venture company.

1. 2 Subsidiary Companies : PPS Design Company Limited (Shareholding 99.99%)
: PPS Information Consultant Company Limited (Shareholding 90%)
2. 2 Venture : Swan & Maclaren (Thailand) Company Limited (Shareholding 35%)
: Builk Asia Company Limited (Shareholding 10%)
3. 1 Joint-Venture Company : PPQ Joint-Venture (Shareholding 80%)



Policy to divide the operations of companies in the group.

The Company has provided clear policy to divide operations of subsidiary companies in the group;

1. PPS Design Company Limited (PPSD) offers services in engineering designs.
2. PPS Information Consultant Company Limited (PIC) offers services in information technology, video filming and editing, still photography and advertising media production, Operating radio program including create its own program to facilitate construction supervision.
3. Swan & Maclaren (Thailand) Company Limited (SWAN) offers services in architectural and interior designs.
4. Builk Asia Company Limited (BULK) offers services in information technology, construction industry and e-commercial business for construction material trading.
5. PPQ Joint-venture (PPQ) offers services in supervising construction of the Supreme Court building.

2.2 Market and Competition

The architectural and engineering consultants are naturally connected to real estate development business and public infrastructure development by the government. Both businesses are our main customers. Hence our market and competitiveness situation are moving in the same direction. Our project execution normally takes time and are carried out in stages or phases. It depends on which stage we are joining the project such as feasibility, valuation, architectural and engineering designs, construction and supervision to delivery. Our business values also depends on degrees of involvement, difficulties and scope of services.

The construction industry's annual value is approximately 600 billion Baht. Public sector takes 60 percent of the share and 40 percent are taken by the private sector. This proportion also varies yearly according to the economic situation and government policies. This construction values are mostly valued by the construction values which are mostly taken up by contractors of all kinds. For the demand of the architectural and engineering consultants, we should only value mid-size to large construction projects only.

In the year 2014, the industry has a very large impact from the political crisis in the first half resulting in the market contraction. In the second half, there was a drastic improvement comparing to the first half as reference from the National Economic and Development Board's report which shows that the fourth quarter of the year 2014, there was an expansion of construction industry for the value of 3.7 percent relating to the expandable private and public sectors. This number also correlates to the number of construction permits granted and the expansion of construction steel products sector. However, overall construction industry growth for the year 2014 still shows contraction to the amount of 3.8 percent.

In the year 2014, private sector contraction was the result of rapid contraction of government projects. Such situation should improve in the year 2015 because there are plans from the government to spend on Mega Projects to the amount of 6,400 billion Baht. From the outlook of the ministries that are planning to execute their projects and according to the Minister of Transportation, the Transportation Ministry plans to invest 56 billion Baht in overall spending. Land transportation projects value is 22 billion Baht. Rail transport total value is 27 billion Baht – 9.2 billion Baht for dual track rail projects, 17.8 billion Baht for mass rapid transit projects and 2.2 billion Baht on water transportation projects and 4.8 billion Baht on air transportation projects. The rest falls on maintenance of the transportation system to the amount of 11.2 billion Baht. Furthermore the government has also planned to accelerate the system of payments to ensure that those spending targets are met by the end of the fiscal year. This will collectively improve consulting business towards the fiscal year 2015 in the direction of public sector projects.

For the private sector spending, overall private sector investment has improved in the second half of 2015 with the confidence from the resolution of the political crisis and improved political stability. The improvement was also being stimulated by the expedition of the Board of Investment's project approvals, government projects spending and own investment to support AEC expansion in the year 2016.

For the real estate development sector in the year 2014, political crisis directly impacted consumer confidence. This market sentiment is also fueled by the left over inventory from the previous year. For the year 2014, there was an increase of 4.8 percent on the registered residential units in Bangkok metropolitan.

Real estate business non-performing loans with commercial banks have increased by 3.1 percent. Real estate consumer non-performing loans with commercial banks have increased by 12.1 percent while registered units transferred is reducing by 4.8 percent. On the pricing side, the price of condominiums on sale in the market has increased by 14 percent. With reference to Agency for Real Estate Affairs (AREAA), new projects in the year 2014 have reduced in number by 13 percent comparing to the previous year. New condominium project launch reduced by 22 percent while housing project launch reduced by 8 percent with a note that new condominium unit sizes launched are smaller in sizes because of the higher land cost and construction cost.



Apart from the residential sector, the retail sector is foreseen as expanding especially the major retail developers. They all have expansion plans to support the AEC growth. Thailand is foreseen as the hub for retail spending and tourism for the AEC population. Central Patana is planning to invest more than 53 billion Baht. Siam Piwat is also planning to invest more than 35 billion Baht. G-Land also plans to invest in project values of 18 billion Baht. Similarly the Crown Property Bureau is also planning to invest more than 26 billion Baht in project values.

Further across the border, the consulting business will also benefit from the AEC growth. The National Economic and Social Development Board foresees that the AEC countries will expand rapidly in 2.15. Indonesia is forecast to expand by 6.2 percent. The Philippines and Vietnam are forecast to expand by 6.4 and 6.2 respectively. The neighboring countries expansion will help with opportunities for servicing the investments and construction industries of the company.

Overall, we see the market situation will improve following the country's growth with the support by government spending and political stability. For competitiveness situation, we still see price competition situation because smaller players in our business still feel the impact from the year 2014. However, we believe the business cost which is mostly architect and engineer wages will continue to be the main challenge for the business.

In conclusion, we will continue on with our policy direction to closely monitor the market and competitiveness situation so our business can be on the competitive edge and moving towards expansion and sustainability objectives. We strongly believe that we could expand into public sector projects and AEC markets opportunities rising in the year 2015.

2.3 Product or Service Procurement

Service Procurement Process of the Company

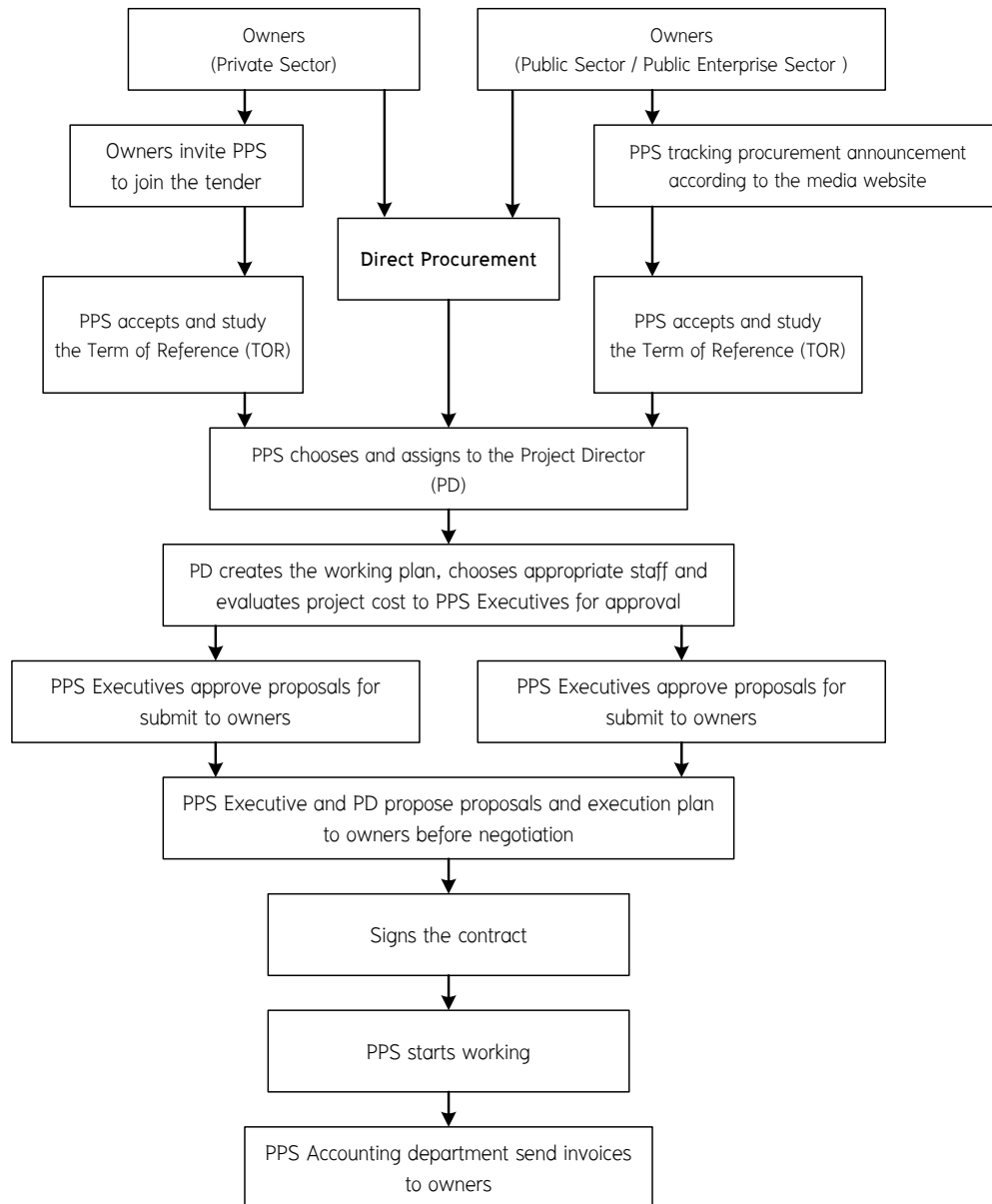


Diagram Description

1. Owners invite the Company to join the tender.
2. The Company accepts the invitation and/or study the details of TOR.
3. The Company creates the working plan, chooses appropriate staff to work on this project and evaluates project cost to propose technical proposal and financial proposal to owners.
4. The Company presents proposals to the Company's executives for approval before submitting.
5. Executives and/or assigned person propose technical proposal and financial proposal including execution plan to owners before negotiation.
6. The Company signs the contract.



7. The Company starts working followed by execution plan and also assigns suitable staff to work on the whole project until project handover.
8. Accounting department and financial department send invoices to owners every month based on the contract agreement.

Outsource Procurement

In case that project's owners determine specific scope of service and qualifications in Term of reference (TOR) with the Company has not had enough experiences, the Company might hire outsource to join and propose the new management and construction supervision project proposal together.

The Company has established procedures and criteria for the outsource selection that qualified based on the initial conditions in the project TOR.

1. The Company will assign project director to send the invitation to outsources to attend the meeting about project detail clarification.
2. Outsourcers will propose their technical proposal and financial proposal to the Company.
3. Assigned project director will negotiate with outsources about project conditions and project cost to find the conclusion of preliminary rates.
4. Assigned project director will propose the outsource proposals to executive committees for consideration in terms of conditions, quality and charge rates comparing to project budget.
5. Executive committees will choose the appropriate outsource and sign the contract with them to work together.

Environmental Impact

As engineering consulting company, the Company has never done any things that cause any environmental impact.

2.4 Undelivered Projects on High-Valued Purchase Agreement

Backlog projects on high-valued agreement of the Company are as followed

Backlog projects on high-valued agreement of the Company on December 31st, 2014

Million Baht	
Value until the end of 2018	337
Private Sector	263
Public Sector	74
Value until the end of 2015	163
Private Sector	139
Public Sector	25

3. Risk Management

Risk Management

The Company always realizes the importance of risk management as one of the critical elements of the business. Risk management committee has been set up since 2012 to oversee the management of business risk to an acceptable level.

Enterprise Risk Management Organizational Structure



We see three risk elements varying and evolving depending on business climate as follows:

1. Business competition and market risks

1.1 Market risks

We see high competition in the business due to low entry barrier. New player can enter into the market easily because the business is not capital intensive. We have seen a lot of new player entering the market because of the high growth rate of the market in the last five years. So, when the market is not expanding, fee competition kicks in.

However, despite high competition which results into more choices to clients and more fee pressure, we still believe that our reputation, experience and goodwill of our team will prevail. Clients who has been in the business long enough and have gone through the cycle would know that fee competition is not their key success factor. We believe we could still move forward under the current fee competition environment.

So, we have planned to differentiate our business from competitors by providing distinctiveness into our services and also reaching out to more clients and markets i.e. new retail chains, more up market clients and AEC markets which have more profit margin.

1.2 Disruptive and volatile revenue stream risks

Our major revenue streams are tied to major to mega project clients. There always are potential delays due to additional works or time extension which could make our revenue stream volatile or disruptive.

We have always realized this risk and has continuously reviewed our manpower utilization to mitigate this risk. We have also a policy to provide qualitative differentiated services to be distinctive to competitors ensuring that we could win repeated orders and also wining more projects from words of mouths.

1.3 Risks associated with major revenue from major clients

We have seen major concentration on few major clients for the past five years. We have continuously looking out for new major clients in different sectors to have a better revenue contribution. We are seeing a better revenue contribution and differentiation this year and we will continue on with this policy to ensure revenue sustainability without relying on one or two major clients.

1.4 Uncontrollable risks from outside factor

We see political, economic and disaster risks falling into this risk category. We are mitigating these risks by ensuring that we have sufficient capital to encounter the situation and also by expanding our business beyond the border to AEC markets. However, we have continuously reviewed our plans to be responsive to the situation and volatility of these risks.

2. Risks associated with management and strategy formulation

2.1 Personnel shortage risks

Our business is a service business, so we see personnel as our utmost importance to the business. We understand that career path for our personnel is important and we have been promoting professional human resource practices throughout our organization. We believe we need to recruit retain and retrained if necessary our personnel to be able to practice and maintain our professional services. We also see the need to develop our personnel to be able to acquire management skills relevant to our business so that we could fill up the management gap to be opening up over time. We believe this practice will lead us to become a sustainable business in the long run. Moreover, we also see the risk of professional shortage due to market rapid expansion. We have mitigated this risk by formulating our human resource policy to continuously develop our personnel to be responsive to their career path and specific needs and align them to our business strategy. We have reviewed our human resource planning monthly and have been providing training courses monthly. We also carefully review our compensation plan to be fair to all stakeholders and to ensure that well performed personnel are well rewarded to prevent personnel defection.

2.2 Risks associated with unprofessional conduct by others

Our business are being performed in tandem with other parties working to achieve the same project goals. Other parties are client, designers / consultants / specialists, contractors and suppliers. We see risks to project success caused by unprofessional conducts from one or several of these parties that could impact project success. The impact to the project success are mostly from contractors / suppliers. We foresee this risk to all projects so it is our normal practice to review and evaluate all contractors / suppliers before engaging them into any project. Apart from this we will also proactively and continuously review their project execution performance as part of our service to the client to ensure that their performance are conforming to their plans. Any non-conformances or potential problems will be flagged up with follow up in writing. Furthermore, we also promote project risk management in all projects to ensure that risk elements are identified and mitigated.

2.3 Risks associated with unprofessional conduct by our own staff

Despite our company's professional recruitment process and continuously training and the policy of working professionally with dedication to quality, mistakes could also happen from our staff professional conduct which could affect our business reputations. We have continuously mitigated this risk by stressing the importance of the detail work procedures via training and lastly insure the business against the unprofessional conduct by having Professional Indemnity Insurance so that we have always have the financial resources backing by this Professional Indemnity Insurance Policy.

2.4 Risks associated with investments with others

For growth expansion strategy, we have planned for growth by investing in our non-core but related to our business which are architectural design with Swan & Maclaren and Builk Asia for e-commerce businesses. As part of our strategy, we have always been set out to be the minority share holders at first and try to increase our stakes based on growth and success of each business. This strategy will provide us with less financial risk exposure under manageable risks and not hurting our core business too much while maintain opportunities of expansion.

2.5 Risks associated with corruption malpractice

Despite the low risk from internal fraud from finance and accounting because we have maintained a clear monthly accounting system of recording and reporting, we still see risks associated with corruption malpractice at project levels. This corruption malpractice are being monitored by the management via site visits and meeting with the management of clients, contractors and suppliers to ensure transparency throughout our operating process. Furthermore, PPS has set up a whistleblower line directly to the company's board of director (whistleblow@pps.co.th)

3. Financial risks

3.1 Financial risk due to delay payments or contract defaults

Even though all of our service contracts has payment scheduled stipulated as part of the contract, we could still see payments being delayed by clients for various reasons which could result into the revenue not being realized as budgeted. As part of our business practice to prevent delay payments and contract defaults, we always screen our clients through networking in the industry to ensure that they are treating their vendors well and have no bad records in the industry. We always let all of our clients know that our service is fully effective and efficient with our team putting their full effort to move the project forward. This will ensure the clients that their expectations are being fulfilled.

3.2 Financial risk due to investments

Parts of our cash flow are being financially managed to maximize the fund potential, so there are risks associated with those financial investment. Financial risks of this category are being mitigated by a financial investment policy of investing on the acceptable risks only and the investment portion is the cash surplus which is not part of operating cash flow and main business investment. This investment is being reported to the executive committee every month so they know the risk exposure and could make decisions if needed.

4. Asset Used in Operation

4.1 Total assets of the Company at the end of 2014 are as followed;

Asset Items	Type of Proprietary Right	Status	Asset Items	Type of Proprietary Right	Status
1. Land					
1.1) Title deed no. 122513 Suan Luang, Phrakhanong, Bangkok Area 0-1-44 Rai	Hold by the Company	Used for Head Office Location	2,900,000	Mortgage with Bangkok Bank	25,000,000*
1.2) Title deed no. 16802, 16792 Bor, Klung, Chanthaburi Area 2-0-22 Rai, 1-3-19 Rai	Hold by the Company	Investment Properties	460,000	- None -	- None -
2. Buildings and Building improvement					
2.1) No. 381/6 (Title deed no. 122513) Phrakhanong, Bangkok Area 648 Sq.m.	Hold by the Company	Head Office of the Company	3,096,821	Mortgage with Bangkok Bank	25,000,000*
2.2) Room No. 1444/43 1 st Floor PlamHill Condominium 8 Bypass Road, Cha-Um, Phetburi Area 262 Sq.m.	Hold by the Company	Welfare for executives and employees	1	Mortgage with Kasikorn Bank	8,000,000
3. Office Equipment	Hold by the Company	Used at Head Office and Sites	2,251,510	- None -	- None -
4. Office Furniture	Hold by the Company	Used at Head Office and Sites	154,309	- None -	- None -
5. Computer Accessories / IT Equipment	Hold by the Company	Used at Head Office and Sites	678,293	- None -	- None -
6. Vehicle	Hold by the Company	Used at Head Office and Sites	213,370	Hire purchase	- None -
Total			9,754,304		

* Mortgage financial amount is 25 million Baht. (Including land, building and part of building improvement)

**Intangible Assets**

Total intangible assets of the company at the end of 2013 were 2,579,809 million Baht comprising of computer programs, accounting software, human resource software and designing software.

4.2 Contracts relating to property (At the end of 2013)**4.2.1 Rental Contracts**

The Company has signed the leasing contracts with PPSD, PIC, PPQ, which are the subsidiary companies and Joint-Venture, to rent the second floor and third floor out (Partial) to be the head office

Rental Contracts	
Lessor	Project Planning Service PLC (PPS)
Tenant	PPS Design Company Limited (PPSD)
Rental Rate	15,000 Baht per month
Duration	From January 1 st , 2014 to December 31 st , 2014

Rental Contracts	
Lessor	Project Planning Service PLC (PPS)
Tenant	PPS Information Consultant Company Limited (PIC)
Rental Rate	5,000 Baht per month
Duration	From January 1 st , 2013 to December 31 st , 2015

Rental Contracts	
Lessor	Project Planning Service PLC (PPS)
Tenant	PPQ Joint-Venture
Rental Rate	2,000 Baht per month
Duration	From January 1 st , 2014 to December 31 st , 2014

4.2.2 Insurance Policy

Contract Party	Muang Thai Insurance PLC
Policy No.	FA163047-14RBK
Type of Insurance Policy	Fire and catastrophe insurance policy for dwelling house
Location of Property Insured	1444/43, 1 st Floor PlamHill Condominium 8 Bypass Road, Cha-Um, Cha-Um, Phetburi
Period of Insurance	From March 21 st , 2014 to March 21 st , 2015
Total amount Insured and Description of property insure	3,888,900 Baht
Insured	Project Planning Service PLC (PPS)



Contract Party	Bangkok Insurance PLC
Policy No.	512-01111-20514
Type of Insurance Policy	Fire insurance policy
Location of Property Insured	Head Office, Project Planning Service PLC (PPS) 381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok 10250
Period of Insurance	From December 17 th , 2013 to December 17 th , 2014
Amount Insured under this Policy	1,200,000 Baht
Beneficiary	Bangkok Bank, Klongton

Contract Party	Bangkok Life Assurance PCL
Policy No.	2556078 , 2557003570 , 2557003571
Type of Insurance Policy	Group Insurance (Temporary)
Insured Person	Employees of Project Planning Service PLC (PPS), PPS Design Company Limited (PPSD) and PPS Information Consultant Company Limited (PIC) respectively.
Period of Insurance	From July 1 st , 2014 to June 30 th , 2015
Beneficiary	Employees of Project Planning Service PLC (PPS), PPS Design Company Limited (PPSD) and PPS Information Consultant Company Limited (PIC) respectively.

Contract Party	ACE INA Overseas Insurance Company Limited
Insurance Policy No.	PLI 0000099 PI-00221
Type of Insurance Policy	Professional Indemnity Insurance
Coverage / Responsibility	Engineering Service including related Design Work, Construction Supervision and Project Management
Period of Insurance	From January 1 st , 2014 to January 1 st , 2015
Coverage	Insurance coverage limits are not exceeded 40,000,000 Baht
Beneficiary	Project Planning Service PLC (PPS) or PPS Design Company Limited (PPSD)

4.3 Financial Investments in Subsidiaries and Associate

On December 31st, 2014, the Company has 2 Subsidiary Companies, 2 Associate Companies and 1 Joint Venture. Total assets of the Company at the end of 2013 in subsidiaries, associate and joint-venture are 6,489,970 Baht or 2.77% of total assets of the Company.

Company	Paid up Capital (Baht)	Percentage of Shareholding (%)	Value of Investment (Baht)
PPSD	3,000,000	99.99%	3,453,720
PIC	1,000,000	89.99%	899,990
SWAN	7,000,000	35.00%	2,449,980
Builk	5,000,000	10.00%	500,000
PPQ-JV	3,300,000	80.00%	2,640,000
Total			9,943,690
<u>Deduct</u> Provision for impairment of investment – PSD			(3,453,720)
Grand-Total			6,489,970



In 2014, the Company considered to allowance for impairment loss on investment in PPS Design Company Limited (PPSD) to comply with the accounting standard because of PPS Design Company Limited (PPSD)'s accumulated deficit. However, in 2015, the Company has a business plan for PPS Design Company Limited (PPSD) to make more profit and capital increase.

4.4 Investment Policy for Subsidiaries and Associate

The Company's investment policy is to consider business extension by being in partnership with famous business partners to establish joint venture or consortium. For mega project bidding, the Company will consider of staff efficiency, capability, profit and creditable partners to order to avoid risk in the future.

For the Company's investment policy for subsidiaries and associate, the Company will consider of investment return, risk and cash flow of subsidiary companies prudentially. Moreover, the company will concern about potential of subsidiary companies to support and facilitate the operations of the Company. Each invested project has to get approval from Board of Directors and shareholder meeting based on their authority. Also, most of subsidiary companies' committees come from the Company's committees and/or executives to lead business operation and policies of subsidiary companies in accordance with the Company policy.



5. Legal Disputes

At present, the Company and subsidiary companies have no legal dispute that may cause damage to the Company more than 5% of the stockholders' equity and result in a negative consequence with regards to the Company's businesses in any significant way.



6. Other related Information

General Information of the Company and other Referenced Persons

Head Office

Project Planning Service PLC (PPS)

Contact Address	381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok 10250
Telephone	0 2718 2785-9
Fax	0 2300 5545-6
Website	www.pps.co.th
Type of Business	Provision of engineer consulting services; advice and manage construction projects for project owners for building projects and various utility and infrastructure projects especially those projects that need special expertise in engineering.
Registered Capital	100 million baht, paid in full. Each share unit has a value of 0.25 baht. The total shares amount to 400 million units.
Public Company	0107555000147
Registration Number	

Subsidiary Companies

PPS Design Company Limited (PPSD)

Contact Address	381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok 10250
Telephone	0 2718 2785-9
Fax	0 2300 5545-6
Website	www.pps.co.th/ppsd
Type of Business	Provision of structural and system designs
Registered Capital	3 million baht. Each share unit has a value of 100 baht. The total number of shares amounts to 30,000 units

PPS Information Consultant Company Limited (PIC)

Contact Address	381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok 10250
Telephone	0 2718 2785-9
Fax	0 2300 5545-6
Website	www.ppsic.co.th
Type of Business	Provision of Information Technology regarding the production of media and advertising media.
Registered Capital	1 million baht. Each share unit has a value of 10 baht. The total number of shares amount to 100,000 units.
Shareholding Proportion	89,999 units or 90 percent

**Joint-stock Company****Swan & Maclaren (Thailand) Company Limited**

Contact Address	381/6 Soi Rama IX 58 (Soi 7 Seri 7), Rama IX Road, Suan Luang, Bangkok 10250
Telephone	0 2300 5518
Fax	0 2300 5545-6
Website	www.pps.co.th
Type of Business	Provide architectural design service to accommodate architectural and engineering designs for domestic and ASEAN Economic Community (AEC) markets
Registered Capital	7 million baht. Each share unit has a value of 10 baht. The total number of shares amount to 700,000 units.
Shareholding Proportion	24,500 units or 35 percent

บริษัท บิลค์ เอเชีย จำกัด (BUILK)

Contact Address	6th Floor, G.P. House, 71 Sap Street, Si Phraya, Bang Rak, Bangkok 10500
Telephone	0 2236 9799
Fax	0 2236 9798
Website	www.builk.com
Type of Business	Provide information technology services related to construction industry. The main services include the provision of business and project construction management software.
Registered Capital	5 million baht. Each share unit has a value of 10 baht. The total number of shares amount to 500,000 units.
Shareholding Proportion	50,000 units or 10 percent

Joint-venture**PPQ Joint-venture (PPQ)**

Contact Address	เลขที่ 381/6 ซอยพระรามเก้า 58 (ซอย 7 เลี่ 7) ถนนพระรามเก้า แขวงสวนหลวง เขตสวนหลวง กรุงเทพมหานคร 10250
Telephone	0 2718 2785-9
Fax	0 2300 5545-6
Website	www.pps.co.th
Type of Business	Supervise construction project of the Supreme Court Building, Office of the Judiciary
Registered Capital	7 million baht. Each share unit has a value of 10 baht. The total number of shares amount to 700,000 units.
Joint-venture's Capital	3.30 million baht
Joint-venture proportion	2.64 million baht



Other referenced persons

Securities Register

Thailand Securities Depository Company Limited

Contact Address	4th and 7th floors, Stock Exchange of Thailand 62 Ratchadapisek Road, Klong Toei, Bangkok,
Telephone	0 2229 2000
Fax	0 2359 1259

Auditor

DIA International Auditing Company Limited

Contact Address	316/32, Sukhumvit 22, Rama IV, Klong Tan, Klong Toei, Bangkok 10110
Telephone	0 2259 5300-2, 0 2332 5126-9

Legal Advisor

Contact Address	1193 Exim Building, Units 1106-1108, 11th Floor, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400.
Telephone	0-2278-1679-84
Fax	0-2271-2367, 0-2271-2587