



Part 1

Business Operation

1. Business Policies and Operation

1.1 Overview of Business and Vision

Visions

We strive to be the leader in consulting business and related business in AEC via good governance with excellence standards and ensuring sustainable business practice.

Missions

1. We differentiate our services by
 - 1.1. Provide our services in processes
 - 1.2. Develop our own information technology to maximize our potentials and open up new frontier with new technology
 - 1.3. Develop our own internal database system and manage our knowledge subjectively
2. Develop our organization to ensure sustainable growth by
 - 2.1. Human resource development
 - 2.2. Internal processes
3. Revenue growth is targeted at least 10% from several business units to ensure sustainable revenue growth under controllable risks
4. Maintain profitability under professional ethics and ensure stakeholders' benefit

Values

- "PPS" Never let up and working as a team
- "PPS" Care for stakeholders' benefit
- "PPS" Knowledgeable, international standards practice, trustworthy with professional ethics
- "PPS" Always coordinate and work with others proactively
- "PPS" Trustworthy Project Manager

Strategy

1. We will fully use information technology throughout our process and also increase our ability to work in process via ISO 9001 quality management system. We will fully develop our knowledge management system so our knowledge is fully maintained and researched. We will strive to be the leader of our industry.
2. We will use our human resource team to develop and expand our personnel to be able to work in more sectors i.e. industry, public sector and AEC markets.
3. We will clearly demonstrate our staff career path so our people could achieve their personal goals.

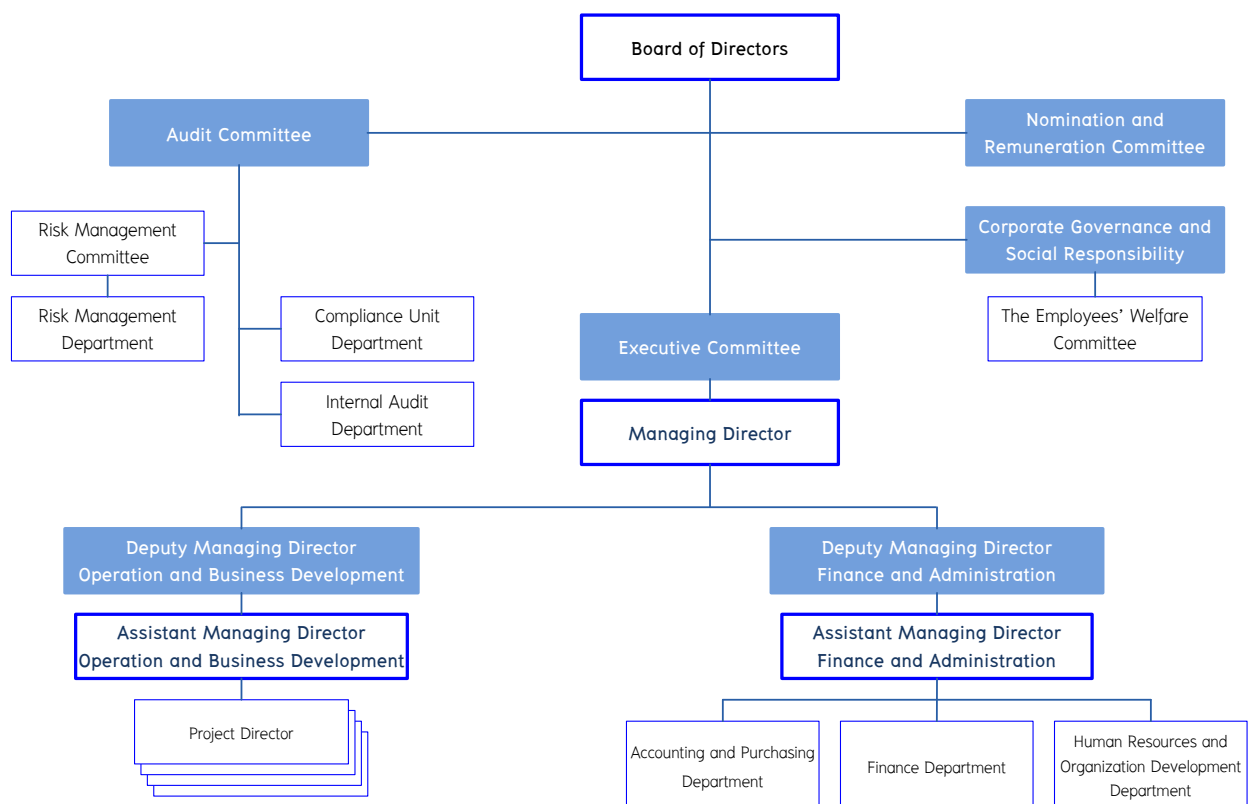
Long Term Goals

Create good quality engineer a good model for professional development and support social development of good engineers to promote the values of a professional engineer to be honored It is recognized and honored

1. Enterprise Knowledge Engineering consists of personnel with integrity
2. The revenue side, sustainability and growth that is appropriate to the risk and economic volatility
3. Have the ability to do business in the ASEAN countries
4. A good governance throughout the business processes for the sustainability of society

Remarks: Approved by the Board of Directors No. 4/2558 held on November 13, 2515

Organization Chart of the Company



1.2 Significant developments during 2013–2015 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
- Chulalongkorn Memorial Hospital, Thai Red Cross Society
- Mass Rapid Transit Authority of Thailand (Underground Transportation Project)
- Second Bangkok International Airport – Suvarnabhumi Airport
- Communication Authority of Thailand (CAT) Building
- Sirat-Outer Ring Road Expressway
- MRTA : Blue Line Extension Project
- Sirindhorn Hospital, Bangkok
- Supreme Court of Thailand Building
- New Tobacco Factory Project
- The Bank of Thailand New Headquarters Building
- 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
- I Condo
- The distribution center TESCO Lotus, Lam Lukka, Khon Kaen, Surat Thani
- Amway New Head Office
- Pullman Phuket Arcadia Naithon Beach Resort
- The Street Ratchada
- RHYTHM Condominium
- Central Festival Chiangmai
- Various branches of TESCO Lotus
- Central Plaza Changwattana
- Central Westgate
- Central Embassy
- G Tower
- U-Place Project
- Icon Siam
- Makro Stores, Nakhonnakok, Nakon-In
- Thanya Shopping Park
- Toyota Sukhapiban 3
- Mega Bangna
- The Park Chidlom Condominium
- Central Plaza Rama 9
- Terminal 21
- Banyan Tree Resort & Spa , Koh Samui
- The Renaissance Hotel, Phuket

**International Sector**

- Hongsa Power Plant Project (Laos, PDR)
- Vientiane Hospital (Laos, PDR)
- Central Plaza I–City (Malaysia)

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 Via subsidiaries and companies in various machine 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.

Bulk 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 Bulk 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 Bulk 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.

2015 Operating Results and Target for 2016

2015 sees reduction in total revenue due to the economic slowdown impacting the business. Revenue streams were not as smooth due to some of the projects were finished and new project revenue couldn't be realized in their early stages. Some of the projects proposed were delayed or cancelled due to economic sentiment that did not encourage new investments.

In the year 2015, there are projects under our operations as follows:

Building Projects

- | | |
|---|---------------------|
| • Chulalongkorn Memorial Hospital, Thai Red Cross Society | • Rama 9 Square |
| • New Factory for Thailand Tobacco Monopoly | • U-Place |
| • New Supreme Court Office | • I Condo Salaya |
| • Rhythm Sukhumwit 36–38 and Sukhumwit 42 | • Icon Siam C2 & C1 |



- The Street Ratchada
- Central Westgate
- Central Embassy
- Thairath TV and Facilities
- Muaeng Thai Phatara Complex Renovation
- Langsuan Village, LSV
- I Net IDC3
- Vientiane Hospital; Lao PDR
- Bann Hua Hin
- Hongsa Power Plant Project (Laos, PDR)
- Makro Stores, 3 branches
- Tesco Lotus Stores
- HomePro Rama 3
- The Food Street Ratchada
- Bangkok Residence
- Aspire Wuthakas
- Bangkok Midtown Hotel
- Bounce Thailand
- Man Fu Yuan @ Emquartier

Infrastructure Projects

- MRTA Blue Line
- Expressway Sriratch – Outer Ring Road
- First Stage Expressway Maintenance phase 2
- First Stage Expressway Maintenance phase 3

Special Project

- Standing Buddha at Wat Thip – Kanchanaburi

In 2015 total revenue of the company is 238.93 million Baht declining by 10.45% from 2014 which was at 266.81 million Baht. The company still sees fee competition and faces continuity of projects from the finish of existing projects to the start of new projects. At the end of the year, the company sees improving market trend from an award of a new large scale project however it is starting so big revenue cannot be realized yet. For the revenue from design services, the company still faces fee competition in the local market. Our strategy for new international market gives us better fee however there is not many projects comparing to Thailand especially in East Africa and Cambodia. The media and concert business yields not so good results. Sponsoring during economic slowdown is problematic and our company as a newcomer needs more portfolio to gain trust from clients. Digital media in 2015 has not been well received by the market however the revenue portion is not so much comparing to that of the whole group.

Profit in 2015 is 3.39 million Baht declining by 80.87% from 2014 due to target revenue missed especially public projects coupled with the impact of economic slowdown and local market fee competition and media business competition which results in the decline of the total profit of the company.

At the end of December 2015, there are 28 projects in hand with a backlog value of 300 million Baht.

Further to the above results, the company still maintains our course in increasing our competitiveness including operation standard to differentiate our service values and also intensely train our staff to ensure that their skills are competitive which is the main value of the company.

The company still moves forward towards Information Technology competitiveness. Google cloud software has been utilized throughout the company as one integrated cloud system to ensure better communication and access to information efficiently including sharing of organization knowledge to serve the needs of clients. The development of our own ProjectLive is being moved forward to be used in all projects to differentiate our operations from competitors and enhancing our efficiency in managing and supervising construction projects. The company also utilizes ProSoft human resource development software to help improving our human resource management so our utilization of staff is being maximized including their database collection to enhance our competitiveness and all of our cost are efficiently accounted for.

The company still maintain its course in continually developing our human resource skills to serve our expanding business. PPS Future Leaders Program has been continuing to ensure our next generation of leaders are identified and trained. Professional development incentive program in line with the professional levels of the Council of Engineers were deployed to ensure that our engineers and architects are professionally qualified to take on public projects soon to be realized.

Internal Training Program

For internal training, the human resource plan has been developed in line with our business plan. Our human resource development calls for various trainings including in-house training by our experienced staffs and outside experienced trainers, public training, on the job training, self learning via e-learning and coaching. Competency skills were benchmarked to ensure specialty skills needed for organizational development and business development towards the business goals of moving towards AEC market. Our training unit is certified by the Council of Engineers to be part of the Continuing Professional Development (CPD) program so the trainees are awarded with CPD points as per the Council of Engineers' regulations.

The company targets training hours required for all staff at 40 training hours per year in 2015. This target has been achieved with the following training programs:

1. Professional ethics for professionals and managers
2. Project and construction management for condominium projects including facade works
3. Soil protection system for deep excavation including fire / life safety practice in construction project
4. ProjectLive practice in construction projects
5. English conversation skills training and self image development
6. Anti-corruption workshop under the policy "Operational Transparency with Good Governance and Anti-Corruption)
7. Environmental conservation and best utilization of resources training
8. ISO 9001; On the job training at project sites
9. Stakeholder duties and responsibilities towards information disclosure and human rights
10. Good governance, disclosure, stakeholders and board of directors responsibilities

Apart from the above, succession plans were developed to ensure that project managers are well groomed from the company's resources and be in line with business growth.

The operating results from the company's subsidiaries and joint ventures for the year 2015 are reported as follows:

PPS Design (PPSD) added more personnel to support its business growth and expansion in AEC despite the economic slowdown in 2015. Two more projects were awarded from a Cambodian client. It is expected the market will expand in the year 2016 with the ease of fee competition. It is also expected that PPSD will be supporting PPS as an advisor for large scale projects with structural engineering complexity.

Swan & Maclaren Thailand (S&M) sees no new significant projects. Proposals were made towards AEC markets with an award won by a competition held by the Office of Transportation Policy on the Hi-Speed Rail Station Interior Design. S&M still targets architectural design projects in AEC and incoming investments towards Thailand from international investors.

PPS Information Consultant (PIC) is continuing their course on media business and information technology. PIC grew from internal support to PPS with the initiative of utilizing information technology to the underutilized construction business. PIC also supports PPS in all of their training programs and also develops the training media and become a content provider via internet channels and cable TV. PIC's revenue comes from media services for PPS and other media channels including TV – ThaiRath TV, Radio – Changmuns FM 106 and internet channels. This also exposes better image and professional identity of PPS to general public.

PIC also supports PPS in ProjectLive cloud service software created to service the need for an online tool for construction management and supervision. ProjectLive features construction management workflows of the following tasks: Inspection and Testing Checklist (ITC), Defect Work, Non-Conforming Report (NCR), Safety Improvement Request (SIR), Documents, Dashboard

PIC also provides services on video production, still photography and also expand into TV and Radio media since 2014 including event organizing and concert organizing. Lung P animation cartoon program relating to construction best practice has been on the air via ThaiRath TV and Chungmuns radio is on air via FM 106 radio. Two concert events were held in 2015 which were Blue Live in Bangkok 2015 and APINK Fan Meeting in Bangkok 2015.

Builk Asia which PPS has been a partner were improving with expansion to construction e-commerce via their fully online platform adding to their business model of online software platform serving construction business. Currently, there are 12,000 online construction SMEs accounts with continuously users of more than 10,000 accounts with improving growth trend.

Target for the year 2016

In the year 2016, the company targets to expand and increase competitiveness including seeking opportunities from the main business and subsidiaries via joint venturing with a total group target of 300 million Baht.

For the main business, the target from private sector including existing clients and new clients who are expanding is set at 180 million Baht. For public sector including government's infrastructure projects and other government policy projects, the target is set at 90 million Baht.

Apart from the local market, the company also sets to expand into AEC market, apart from existing project in Lao PDR, via Cambodia, Malaysia and Myanmar with a target of 15 million Baht revenue. The AEC opportunities also includes business partnership following AEC economic partnership which might arise.

For engineering design business, since it is highly fee competitive the company still maintains its course of servicing the main business' clients and across border client while the architectural design is going to be focused on AEC clients.

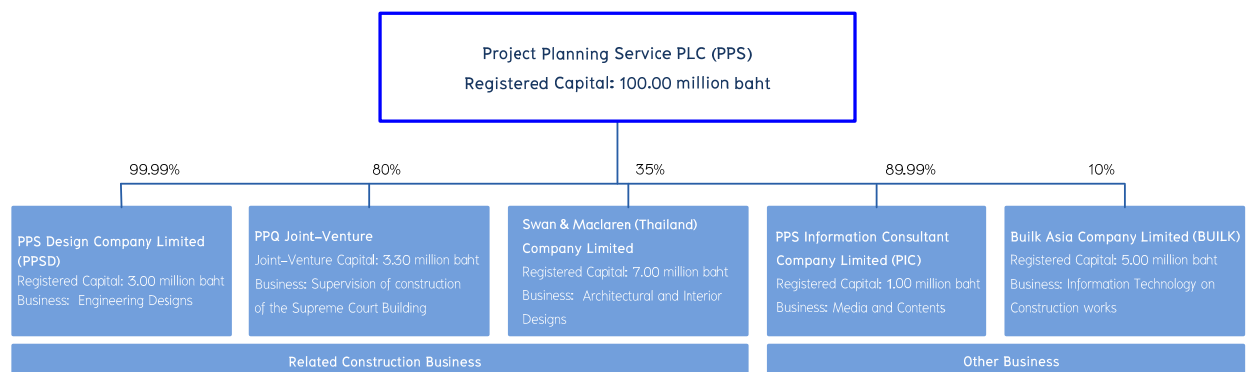
For the media and IT business, the target is to accumulate experiences and portfolios and including seeking new partners. The company targets development of contents and organizing business which could lead to better operating results.

Apart from revenue targets, the company also has a policy of increasing business competitiveness and improving operation competitiveness by continuously develop ISO 9000 management system, internal IT system workflow and operation applications including database and training together with knowledge management to ensure differentiation from competitors and better net profit margin from previous year.

The company will also ensure transparency throughout our business processes including care of stakeholder rights relating to all of our business. This will ensure sustainable growth of the company, the profession, the society and the country as a whole.



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)	2013		2014		2015	
	MB	Ratio (%)	MB	Ratio (%)	MB	Ratio (%)
Revenue from Services	290.09	99.08%	263.65	98.82%	234.22	98.03%
Revenue from Construction Supervision	285.96	98.52%	258.32	97.98%	219.13	93.56%
• Office Buildings	20.82	7.28%	23.95	9.27%	22.73	10.37%
• Retail Areas	123.18	43.08%	89.05	34.47%	69.10	31.53%
• Residential Buildings	43.88	15.34%	60.51	23.42%	61.73	28.17%
• Multi-purpose Building (Mix Use) ¹	32.55	11.38%	35.31	13.67%	17.95	8.19%
• Hotels	3.35	1.17%	–	–	4.19	1.91%
• Hospital	15.60	5.46%	12.22	4.73%	11.22	5.12%
• Infrastructures	14.06	4.92%	15.17	5.87%	19.14	8.73%
• Others ²	32.52	11.37%	22.11	8.56%	13.07	5.96%
Revenue from Design	4.30	1.48%	5.33	2.02%	2.99	1.28%
Revenue from Concerts	–	–	–	–	12.10	5.17%
Revenue from Sales	0.84	0.29%	–	–	–	–
Other Revenues	2.69	0.92%	3.16	1.18%	4.71	1.97%
Total Revenues	293.79	100%	266.81	100%	238.93	100%

Remarks ¹: Comprises : Retail Areas, Office Buildings, Hotels

²: Comprises : Distribution Center, Data Center, Factory, Temple Measure, Showroom

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

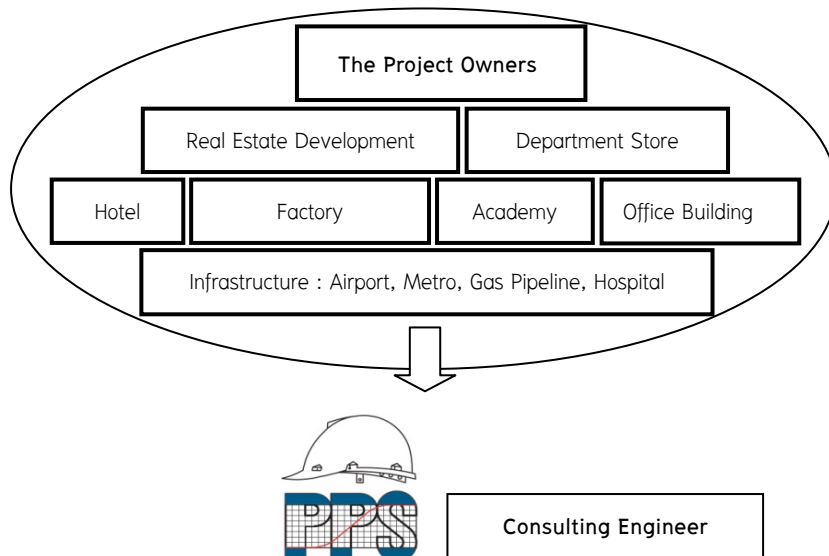
- 2.1 Construction supervision for whole project.
- 2.2 Review material approval.
- 2.3 Review shop drawings approval.
- 2.4 Advise, recommend, revise or change construction method to make it more efficiently.
- 2.5 Set meetings with owners, contractors and/or designers to follow project progress and 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

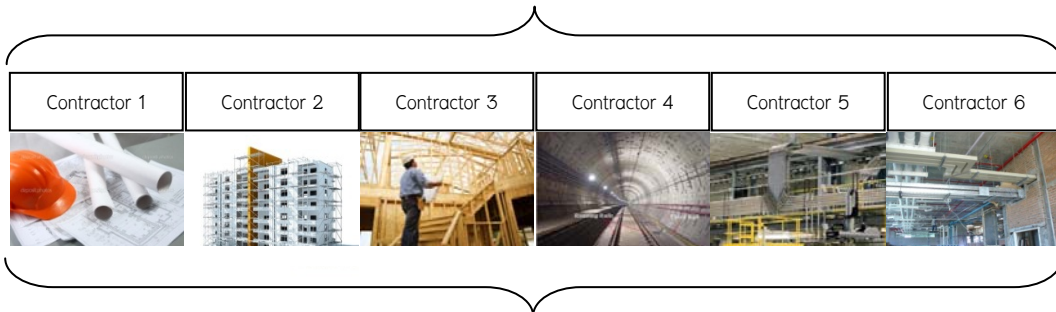
- 3.1 Set post-construction plan to manage building utilization after project operation including architectural and engineering maintenance based on warranty contracts.
- 3.2 Check defect lists and report to owners including supervise contractors to fix all defect lists completely before handover.

- 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



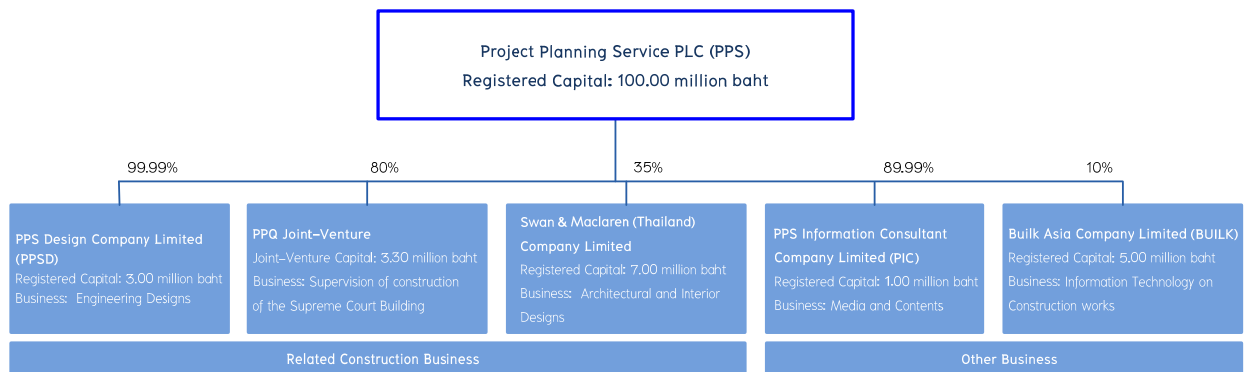
Until construction is complete.



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 89.99%)
2. 2 Venture : Swan & Maclaren (Thailand) Company Limited (Shareholding 35%)
: Bulk 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 structural designs work and system building works.
2. PPS Information Consultant Company Limited (PIC) offers services in information technology in particular the media and advertising media including create its own program to facilitate construction supervision
3. Swan & Maclaren (Thailand) Company Limited (SWAN) 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.
4. Bulk 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

Engineering consultant business on design and project management which is the main business of the company is closely related to the property development and infrastructure development business. Thus, the analysis of these two businesses must be done to reflect the company's business as a whole.

In 2015 Thai economy grew by 2.8 to 2.9 percents slowly improving from last year. Investment is expanding at a higher growth especially public sector projects. Government spending is increasing referring to the fiscal spending and injecting money into the economy. However, private investment is slowing down. According to Economic and Social Development Board data, the first nine months see expansion of the country's construction business of 15.9 percent while public sector expanded by 27.6 percents and private sector expanded by 1.4 percent.

Property development sector in 2015 has been expanding. The key stimulus is the political stability and government's stimulus packages which created positive sentiment to property development sector and engineering consultant business. High growth sector has been condominium which is comparatively sees more growth than horizontal residential segment. The company still sees this as a continuing trend since the high land cost and more development of public transportation in the capital. Land cost in Bangkok increased by 10.8 percent and the cost of residence increased by 10 percent. For other segment, the company sees some growth for office for rent segment especially nearing mass transit stations however the growth outside of Bangkok Metropolitan is weak especially when the agricultural economy is weak at present and factoring in the government's delay in developing railway projects.

In 2016, the company sees more growth in property development. Early 2019 will see the growth fueled by government stimulus packages which should help optimizing market demand and supply. Property development businesses should have more confidence on their investments and financing together with the trend of interest rates which should keep of the current trend on the low side.

For retail business, the investments should slow down due to the slowing down of household spending in 2015. However, the company expects some expansion from major players who would need to keep their market shares and competitiveness and more expected demands rising from AEC.

In 2015 and continuing on to 2016, health care business is still growing strong due to the demands of business' infrastructure. The company sees continuing trend in this sector.

For public sector projects which saw high growth in 2015 from the government policy of spending and investments, the trend should continue in 2016. More project tender invitations are expected for infrastructure projects. The company sees more than 20 projects rolling from both directly from the government and public enterprises such as motor way projects, mass rapid transit lines, railway lines, airports and including special economic zones. However, there are risks from delays of such projects internally from the government processes and also from the clarity of public private participation scheme and difficulties on expropriation of project lands. So, there are opportunities that could also associated with risks which needs to be carefully managed.

Another factor that will benefit construction business sector is the AEC investments both inbound and outbound. The company sees Thai investors investing in AEC countries and also foreign investors investing in Thailand due to AEC opportunities. Strategic locations are towns and cities at border crossings to Myanmar, Lao and Cambodia. The company sees this trend as growing in 2016.

In an overall picture, the engineering consultant business should grow in 2016 due to political stability, government investments, private sector confidence, better balance of demand and supply in property development sector, low interest rates and low construction material costs. However, fee competition are still seen and there are business pressure from lack of staff due to competition in increasing wages which could put more pressure the business operators as a whole.

However, PPS will continue to move the business forward cautiously with sustainable growth and continuously monitoring the market sentiment and competition so the company could adjust its strategy accordingly and manage the risks associated efficiently.

2.3 Product or Service Procurement

Service Procurement Process of the Company

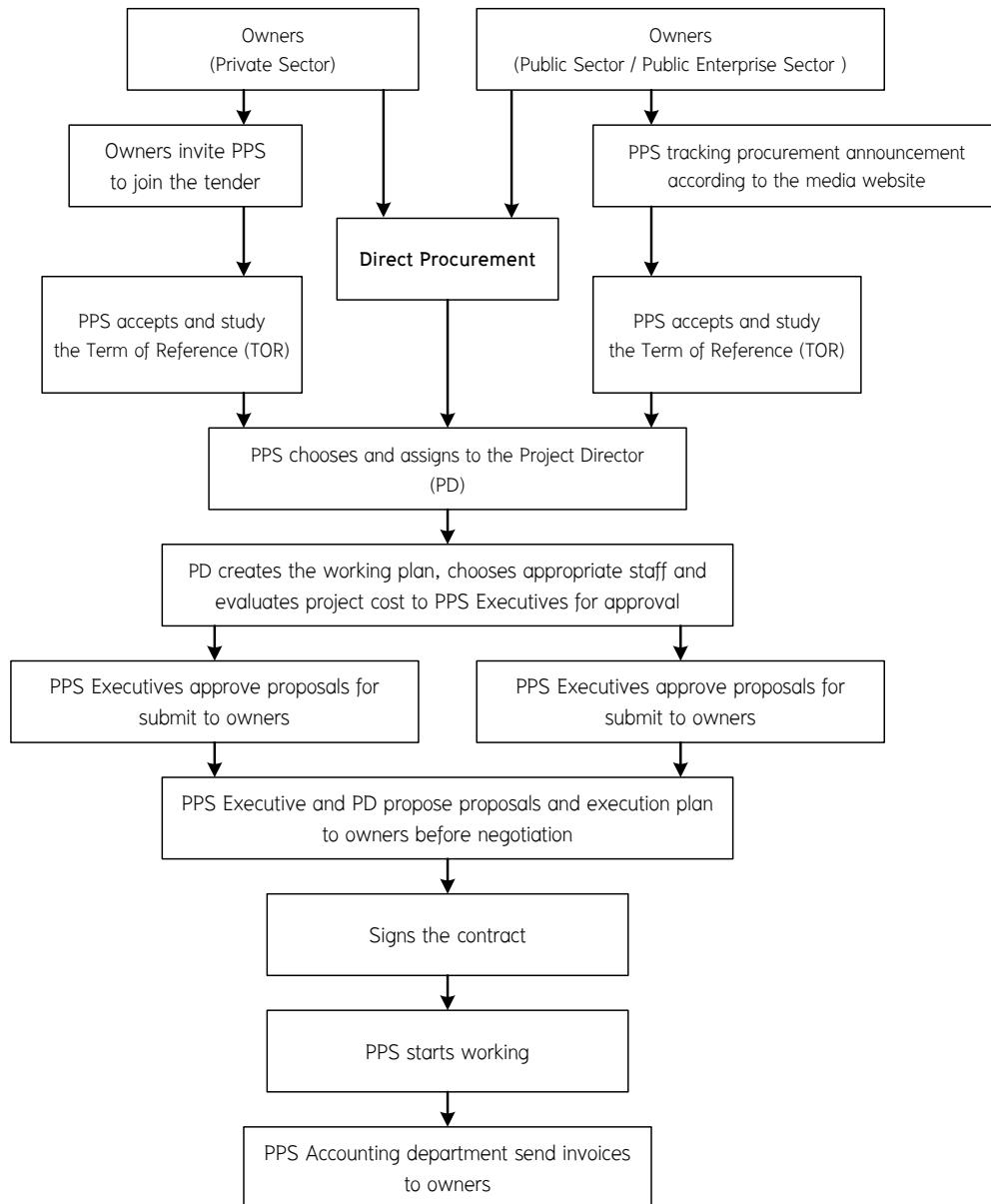


Diagram Description

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

Our main activities does not create any negative impact to environment. At most, the impact could be caused by the contractors involved in the project. Therefore, we also require the contractors to provide the safety plan that also covers 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, 2015

	Million Baht
Value until the end of 2018	300
Private Sector	273
Public Sector	27
Value until the end of 2015	168
Private Sector	143
Public Sector	25

3. Risk Management

Risk Management

Project Planning Service Public Company Limited or PPS recognizes the importance of risk management. Because the ever-changing internal and external factors could affect the company performance, the company have established the board of risk management since 2012 to be responsible for corporate risk management. The major function of the board of risk management is to prepare, monitor, and continuously evaluate the risk management plan. In the current situation, the board has summarized the risk issues into 4 main categories including business risk, management risk, financial risk, and social environmental and corruption risk as explained in the following:

Enterprise Risk Management Organizational Structure



1. Business risks

1.1 Risks associated with continuity and certainty of revenue

Our major revenue streams are from the service revenue associated with construction project management, in which they are project-based by nature. Therefore, the revenue streams is dependent with the contractual agreement, resulting in the possible discontinuity and uncertainty of revenue which may be caused by the delay and variation order in each project. The discontinuity of revenue may be caused by the gap between each project. Generally, this risk depends on the overall market condition.

Our risk management plan for this risk is by carefully selecting to engage in projects in which they can provide the continuity and growth of revenue. We mitigate this risk by continuously engaging in new projects of existing customers. Besides, we aim to build the partnership with new clients, expand to AEC, broaden the scope of service; in some cases beyond the core activities.

1.2 Risks from business competition

The business of construction project management and supervision is very competitive. There is low entry barrier given that the business is not capital intensive. However, the business requires the professional license to enter. There are a few new entrants to the business. Also, the existing players have expanded to support the growing opportunities in the market in the last few years. Therefore, when there are slowdowns in the market, the competition gets intense and the price can be aggressive.

Despite the growing competition which gives more choices to the clients and more pressure on fee structure, we believe reputation, experience, and acceptance on professionals are still the most important factors that clients use in selecting the construction project manager. Therefore, we still be able to manage the higher risk in this regards.

Nevertheless, we are fully aware of the risk from growing competition. It is our policy to create additional competitive advantage. We aim to make our differentiation more concrete and noticeable. For example, we have developed "ProjectLive" which is the program the company have developed to be used internally to enhance construction project management activities. In addition, we have followed our quality policy to continue to improve the efficiency of our operation. These are to ensure that we can maintain our existing clients and attract new clients from positive referral.

1.3 Risks associated with revenue from major clients

In the past, we have a relative few groups of clients, resulting in limited portfolio. However, in the last few years, we have managed this risk better by expanding the client base to the new groups and also in AEC. We will maintain this policy to ensure our client portfolio is well balanced among different types of business. This is to mitigate the risk in case there could be any situation that could negatively impact any particular sector of our clients.

1.4 Risks associated with uncontrollable external factors

In the past, we have a relative few groups of clients, resulting in limited portfolio. However, in the last few years, we have managed this risk better by expanding the client base to the new groups and also in AEC. We will maintain this policy to ensure our client portfolio is well balanced among different types of business. This is to mitigate the risk in case there could be any situation that could negatively impact any particular sector of our clients.

2. Management Risk

2.1 Risks associated with the lack of required staffs

Because our business is the service business, human resource is the most important resource of the company. Therefore, it is crucial to retain and continuously develop our human resource. To sustain the growth of the company, the all human resource management processes are very important; from the selection of new staffs, the development of existing staffs, and the development of new management team to continue the work from the old management.

The main reason for the higher risk in this concern is due to the growth of construction related businesses in general. The growth in the sector creates pressure in finding and maintaining the quality staffs.

We manage this risk by developing the human resource policy that continuously support the demand of human resource in each department and skillset which vary depending on the work and corporate strategy. The human resource planning is closely monitored on the monthly basis. The long term continuous human resource development plan has been laid out. We also try to increase overall compensation and other benefits for our valuable staffs to maintain high morale and retain most important staffs.

2.2 Risks associated with unprofessional conduct by others

Our business are performed in tandem with other parties working to achieve the common goals. Other parties include clients, 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. We foresee this risk so it is our normal practice to review and evaluate all contractors and 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 clients to ensure that their performance are conforming to their plans. Any non-conformances or potential problems will be notified 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 staffs

Despite our company's professional recruitment process and continuously training, mistakes could still happen from our staff professional conduct which could affect our business and reputation. We have continuously mitigating 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 (PII) so that we have always have the financial resources when required.

2.4 Risks associated with investing with others

To expand our business beyond the main scope of the company, in some cases, the company invest with other parties that have expertise. We have partnered with Swan & Maclaren LLP to develop our architectural design business, and we have invested in Builk Asia to capture the opportunity in construction e-commerce. As part of our strategy, we have always been set out to be the minority shareholders 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 while maintain opportunities of expansion.

3. Financial Risk

3.1 Risks due to delay of 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 in mismatching between actual and budgeted revenue. As part of our business practice to prevent the delay of payments and contract defaults, we always screen our clients altogether with performing our project at our best to ensure project success and client satisfaction. Besides, we have our financial department to monitor and manage our payment collection and mitigate this risk directly.

3.2 Risks from investments

We have invested our excess capital to ensure it is utilized effectively. Therefore, there could be financial risk involved associated with each investment. Financial risk of this category is managed, our conservative investment policy. Our investment policy of this excess capital is to ensure that our operating cash flow and investment cash flow in our business are not affected. The investment is being reported to the executive committee on the monthly basis.



4. Risks associated with society, environment, and corruption

4.1 Risks associated with society and environment

Our main activities does not create any negative impact to society and environment. At most, the impact could be caused by the contractors involved in the project. Therefore, to mitigate the risk, it is our policy to select partners that have good social and environmental responsible policy. We also require the contractors to provide the safety plan that also covers environmental impact.

4.2 Risks associated with corruption malpractice

Despite the low risk from internal fraud, we still see risks associated with corruption malpractice at project level. The malpractice may involve conspiracy with contracts or suppliers, or any other corruption activities that may existing during construction process. These malpractice is crucial to our reputation. We do not tolerate any of this risk. Therefore, we have set our anti-corruption policy along with our operational policy. Our management closely monitor our operation to ensure transparency throughout operating process. Furthermore, PPS has set up a whistleblower line directly to the company's board of director at whistleblow@pps.co.th

4. Asset Used in Operation

4.1 Total assets of the Company at the end of 2015 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 T.Suan Luang, A.Suan Luang, 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 T.Bor, A.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) T.Suan Luang, A.Suan Luang, Bangkok Area 648 Sq.m.	Hold by the Company	Head Office of the Company	4,302,888	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	1,627,831	- None -	- None -
4. Office Furniture	Hold by the Company	Used at Head Office and Sites	227,383	- None -	- None -
5. Computer Accessories / IT Equipment	Hold by the Company	Used at Head Office and Sites	697,284	- None -	- None -
6. Vehicle	Hold by the Company	Used at Head Office and Sites	112,622	Hire purchase	- None -
Total			10,328,009		

* 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 2015 were 2,928,222 Baht comprising of computer programs, accounting software, human resource software and designing software.

4.2 Contracts relating to property (At the end of 2015)**4.2.1 Rental Contracts**

The Company has signed the leasing contracts with PPSD and 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 , 2015 to December 31 st , 2015

Rental Contracts	
Lessor	Mr. Mana O-pas
Tenant	PPS Information Consultant Company Limited (PIC)
Rental Rate	23,157.89 Baht per month
Duration	From January 1 st , 2015 to January 31 st , 2018

Rental Contracts	
Lessor	Project Planning Service PLC (PPS)
Tenant	PPQ Joint-Venture
Rental Rate	2,000 Baht per month
Duration	From January 1 st , 2015 to December 31 st , 2015

4.2.2 Insurance Policy

Contract Party	Muang Thai Insurance PLC
Policy No.	FA163047-15RBK
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 , 2015 to March 21 st , 2016
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.	514-01111-23229
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 , 2014 to December 17 th , 2015
Amount Insured under this Policy	2,500,000 Baht
Beneficiary	Bangkok Bank, Klongton

Contract Party	Bangkok Life Assurance PCL
Policy No.	2556078
Type of Insurance Policy	Group Insurance (Temporary)
Insured Person	Employees of Project Planning Service PLC (PPS)
Period of Insurance	From July 1 st , 2015 to June 30 th , 2016
Beneficiary	Employees of Project Planning Service PLC (PPS)

Contract Party	ACE INA Overseas Insurance Company Limited
Insurance Policy No.	PLI 0000099 PI-00360
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 , 2015 to January 1 st , 2016
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, 2015, the Company has 2 Subsidiary Companies, 2 Associate Companies and 1 Joint Venture. Total assets of the Company at the end of 2015 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
Bulk	5,000,000	10.00%	500,000
PPQ-JV	3,300,000	80.00%	2,640,000
Total			9,943,690
Deduct Provision for impairment of investment – PSD			(3,453,720)
Deduct Provision for impairment of investment – PIC			(899,990)
Deduct Provision for impairment of investment – Bulk			(500,000)
Grand-Total			5,089,980



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.

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



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

6.1 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	77 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.

**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

Builk Asia Company Limited (BULK)

Contact Address	6 th 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	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	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 10110
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

6.2 Other Information

-None-