

Part 3

Financial Position and Operating Performance

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Part 3

Financial Position and Operating Performance

13. Financial Statements

13.1 Auditor and summary of auditor's report

The auditor's report of the financial statements of the company and its subsidiaries for the year 2015 – 2017

For the year 2015

Audited financial statements : Ended 31 December 2015

Auditor : DIA International Auditing Company Limited
By Mrs. Wilairat Rotnakarin, certified public accountant, registration no. 3104
who has been granted license from the Office of the Securities and Exchange Commission.

Auditor's comment : Exhibits unqualified opinion that the consolidated financial statement and separate statement
of consolidated financial position and separate financial position, consolidated operation results and separate operation result, consolidated cash flow, and separate cash flow present fairly
in all material respects and be in accordance with financial reporting standard.

For the year 2016

Audited financial statements : Ended 31 December 2016

Auditor : DIA International Auditing Company Limited
By Miss Supaporn Mangjit, certified public accountant, registration no. 8125
who has been granted license from the Office of the Securities and Exchange Commission.

Auditor's comment : Exhibits unqualified opinion that the consolidated financial statement and separate Statement
of consolidated financial position and separate financial position, consolidated operation result and separate operation result, consolidated cash flow, and separate cash flow present fairly
in all material respects and be in accordance with financial reporting standard.

For the year 2017

Audited financial statements : Ended 31 December 2017

Auditor : DIA International Auditing Company Limited
By Miss Supaporn Mungjit, certified public accountant, registration no. 8125 who has been granted license from the Office of the Securities and Exchange Commission.

Auditor's comment : Exhibits unqualified opinion that the consolidated financial statement and separate Statement
of consolidated financial position and separate financial position, consolidated operation results and separate operation result, consolidated cash flow, and separate cash flow present fairly
in all material respects and be in accordance with financial reporting standard.



13.2 Summary of financial condition and results of operations. (Consolidated)

Financial Statements

(a) Summary of Financial Statements and Operation

STATEMENTS OF FINANCIAL POSITION	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	15.83	7.26%	41.97	14.39%	50.73	12.49%
Current investment	82.42	37.82%	64.05	21.96%	154.27	37.98%
Trade accounts receivable - net	34.90	16.01%	84.39	28.94%	130.67	32.17%
<i>Trade accounts receivable</i>	36.07	16.55%	91.61	31.41%	134.93	33.22%
<i>Allowance for doubtful accounts</i>	(1.17)	(0.54%)	(7.22)	(2.48%)	(4.26)	(1.05%)
Other current receivables	10.87	4.99%	12.14	4.16%	2.59	0.64%
Work in service rendering under agreement	0.00	0.00%	0.00	0.00%	11.69	2.88%
Total current assets	144.02	66.09%	202.55	69.45%	349.95	86.16%
Investments in subsidiaries and associate	2.46	1.13%	2.39	0.82%	4.60	1.13%
Investments in joint venture	3.39	1.56%	3.77	1.29%	5.16	1.27%
Investment properties	0.46	0.21%	0.46	0.16%	0.46	0.11%
Property, plant and equipment	9.87	4.53%	9.35	3.21%	10.04	2.47%
Intangible assets	2.93	1.34%	2.78	0.95%	5.18	1.28%
Pledged fixed deposit	12.89	5.91%	44.20	15.16%	9.01	2.22%
Long-term loans to related parties	9.00	4.13%	0.00	0.00%	0.00	0.00%
Deferred tax assets	4.86	2.23%	5.13	1.76%	5.05	1.24%
Retention	18.36	8.42%	14.55	4.99%	9.37	2.31%
Other non-current assets	9.69	4.45%	6.46	2.22%	7.33	1.80%
Total non-current assets	73.91	33.91%	89.09	30.55%	56.20	13.84%
Total assets	217.93	100.00%	291.64	100.00%	406.15	100.00%
Trade and other current payables	21.54	9.88%	46.58	15.97%	43.15	10.62%
Current portion of financial lease liabilities	0.06	0.03%	0.00	0.00%	0.00	0.00%
Accrued income tax	0.00	0.00%	2.52	0.86%	1.27	0.31%
Total current liabilities	21.60	9.91%	49.10	16.84%	44.42	10.94%
Financial lease liabilities	0.00	0.00%	0.00	0.00%	0.00	0.00%
Non-current provision for employee benefit	23.28	10.68%	25.56	8.76%	28.57	7.03%
Total non-current liabilities	23.28	10.68%	25.56	8.76%	28.57	7.03%
Total liabilities	44.88	20.59%	74.66	25.60%	72.99	17.97%



STATEMENTS OF FINANCIAL POSITION	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Authorized share capital	100.00	45.89%	180.00	61.72%	216.00	53.18%
Issued and paid-up share capital	100.00	45.89%	120.00	41.15%	185.46	45.66%
Premium on share capital	48.31	22.17%	48.31	16.56%	63.57	15.65%
Share subscription received in advance	0.00	0.00%	11.83	4.06%	18.63	4.59%
Retained earnings						
Appropriated	3.50	1.61%	5.15	1.77%	7.65	1.88%
Unappropriated	21.80	10.00%	30.09	10.32%	54.45	13.41%
Other components of shareholders' equity	0.13	0.06%	0.90	0.31%	2.90	0.71%
Total owners of the Company	173.74	79.72%	216.28	74.16%	332.66	81.91%
Non-controlling interests	(0.69)	(0.32%)	0.70	0.24%	0.50	0.12%
Total shareholders' equity	173.05	79.41%	216.98	74.40%	333.16	82.03%
Total liabilities and shareholders' equity	217.93	100.00%	291.64	100.00%	406.15	100.00%



STATEMENTS OF FINANCIAL POSITION	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Services and sales income	234.22	100.00%	306.92	100.00%	388.95	100.00%
Services income	234.22	100.00%	306.92	100.00%	388.95	100.00%
Cost of services and sales	172.48	73.64%	206.24	67.20%	255.41	65.67%
Cost of services	172.48	73.64%	206.24	67.20%	255.41	65.67%
Gross profit	61.74	26.36%	100.68	32.80%	133.54	34.33%
Other income	4.71	2.01%	12.17	3.97%	7.08	1.82%
Profit before expenses	66.45	28.37%	112.85	36.77%	140.62	36.15%
Administrative expenses	62.21	26.56%	64.67	21.07%	78.78	20.25%
Other expenses	(1.14)	(0.49%)	6.91	2.25%	(2.95)	(0.76%)
Share of profit (loss) on investment in associate and joint venture	(0.41)	(0.18%)	0.31	0.10%	2.29	0.59%
Profit before finance cost and income tax	5.79	2.47%	41.58	13.55%	67.08	17.25%
Finance costs	0.00	0.00%	0.00	0.00%	0.00	0.00%
Profit before income tax	5.79	2.47%	41.58	13.55%	67.08	17.25%
Income tax expenses	3.01	1.29%	9.68	3.15%	12.52	3.22%
Profit (loss) for the year	2.78	1.19%	31.90	10.39%	54.56	14.03%
Other comprehensive income (expense) - net of tax	2.62	1.12%	0.77	0.25%	2.00	0.51%
Total comprehensive income for the year	5.40	2.31%	32.67	10.64%	56.56	14.54%
Profit attributable to						
Owners of the Company	3.39	1.45%	32.17	10.48%	55.17	14.18%
Non-controlling interests	(0.61)	(0.26%)	(0.27)	(0.09%)	(0.61)	(0.16%)
Total comprehensive income attributable to						
Owners of the Company	6.01	2.57%	32.94	10.73%	57.17	14.70%
Non-controlling interests	(0.61)	(0.26%)	(0.27)	(0.09%)	(0.61)	(0.16%)
Earnings per share # owners of the Company	0.008		0.067		0.074	
Ordinary shares of par (Baht / Shares)	0.25		0.25		0.25	
Issued and paid-up share capital	400.00		480.00		741.83	



STATEMENTS OF CASH FLOW	AUDITED 2015	AUDITED 2016	AUDITED 2017
	Million Baht	Million Baht	Million Baht
Profit (loss) before income tax	5.79	41.58	67.08
Adjustment net profit to cash receipt (disbursement)	(0.55)	3.91	(2.52)
Profit from operation before changes in operating assets and liabilities	5.24	45.49	64.56
Trade and other current receivables	1.16	(59.49)	(34.40)
Work in service rendering under agreement	0.00	0.00	(11.69)
Retention	(3.07)	3.82	5.18
Other non-current assets	(0.13)	0.04	0.01
(Increase) Decrease in assets from operation	(2.04)	(55.63)	(40.90)
Trade and other current payables	(5.57)	24.87	(4.07)
Employee benefit provisions	(1.09)	(1.60)	(0.95)
Increase (Decrease) in liabilities from operation	(6.66)	23.27	(5.02)
Cash generated (paid) from operation	(3.46)	13.13	18.64
Interest paid	0.00	0.00	0.00
Corporate income tax paid	(6.46)	(8.13)	(15.37)
Income tax deducted at source received	0.00	2.85	0.00
Net cash provided by (used in) operating activities	(9.92)	7.85	3.27
Proceeds from dividend	1.01	1.59	0.88
Payments for current investment acquisition	(59.05)	(139.29)	(195.45)
Proceeds from sales of current investment	62.86	162.25	111.22
Payments for investment in associate	0.00	0.00	(1.30)
Proceeds from sales of investment in associates	0.00	4.00	0.00
Proceeds from loans from related parties	0.00	10.03	0.00
Proceeds from the partial termination of the Shareholders Agreement	0.00	1.96	0.00
Fixed deposit with obligations	(0.12)	(31.31)	35.20
Proceeds from sales of plant and equipment acquisition	0.00	0.19	0.01
Payments for property, plant and equipment acquisition	(2.14)	(1.19)	(2.10)
Payments for intangible assets acquisition	(0.72)	(0.74)	(2.36)
Net cash provided by (used in) investing activities	1.84	7.49	(53.90)
Payments for financial lease liabilities	(0.13)	(0.06)	0.00
Proceeds from exercise of warrants to purchase ordinary shares	0.00	11.83	62.04
Dividend paid	(12.00)	(2.24)	(2.83)
Proceeds from share capital in subsidiary from non-controlling interests	0.00	1.67	0.40
Net cash provided by (used in) financing activities	(12.13)	11.20	59.61
Exchange difference on translation of financial statements	0.00	(0.40)	(0.22)
Net increase (decrease) in cash and cash equivalents	(20.21)	26.14	8.76



Cash and cash equivalents as at January 1	36.04	15.83	41.97
Cash and cash equivalents as at December 31	15.83	41.97	50.73

FINANCIAL RATIOS	Unit	AUDITED 2015	AUDITED 2016	AUDITED 2017
Liquidity Ratios				
Liquidity Ratios	Time	6.67	4.13	7.88
Cash Flow Ratio	Time	(0.39)	0.22	0.07
Accounts receivable turnover	Time	6.01	4.81	3.43
Average collection period	Day	60	75	105
Accounts payable turnover	Time	6.73	6.06	5.69
Period is payable	Day	54	59	63
Cash cycle	Day	6	16	42
Profitability Ratios				
Margin	%	26.36%	32.80%	34.33%
Operating margin	%	2.47%	13.55%	17.25%
Cash to profitability	%	(171.33%)	18.88%	4.87%
Net margin	%	1.42%	10.08%	13.93%
Return on equity	%	1.92%	16.50%	20.06%
Efficiency Ratios				
Return on assets	%	1.50%	12.63%	15.81%
Return on fix assets	%	7.48%	41.79%	17718.83%
Asset Turnover	Time	1.06	1.25	1.14
Financial Policy Ratios				
Debt to equity shares	Time	0.26	0.34	0.22
Interest Coverage Ratio	Time	0.00	0.00	0.00
Charge Coverage Ratio (Cash basis)	Time	(0.66)	1.86	0.45
Dividend Payout	%	554.75%	90.68%	68.05%



(b) Summary of financial condition and results of operations. (Separate Financial Statements)

Project Planning Service Public Company Limited

Summary of Financial Position And Performance	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	219.91	100.00%	293.45	100.00%	402.21	100.00%
Total liabilities	43.90	19.96%	73.80	25.15%	71.75	17.84%
Total shareholders' equity	176.01	80.04%	219.65	74.85%	330.46	82.16%
Total income	218.35	100.00%	293.98	100.00%	364.42	100.00%
Profit (loss) for the year	4.23	1.94%	32.87	11.18%	49.39	13.55%

Financial Ratios		2015	2016	2017
Liquidity Ratios	Time	7.17	3.95	7.79
Debt to equity shares Ratios	Time	0.25	0.34	0.22
Return on assets Ratios	%	1.86%	12.81%	14.20%
Return on equity Ratios	%	2.37%	16.62%	17.96%

PPS Design Co., Ltd. (PPS subsidiary, which holds 99.99% of the share capital.)

Summary of Financial Position And Performance	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht		Million Baht	%
Total assets	7.90	100.00%	11.50	100.00%	13.99	100.00%
Total liabilities	11.23	142.15%	13.85	120.43%	10.85	77.56%
Total shareholders' equity	(3.33)	(42.15%)	(2.35)	(20.43%)	3.14	22.44%
Total income	4.48	100.00%	15.30	100.00%	29.90	100.00%
Profit (loss) for the year	(3.67)	(81.92%)	0.98	6.41%	5.49	18.36%

Financial Ratios		2015	2016	2017
Liquidity Ratios	Time	0.35	0.54	0.86
Debt to equity shares Ratios	Time	(3.37)	(5.89)	3.46
Return on assets Ratios	%	(45.14%)	10.10%	43.08%
Return on equity Ratios	%	240.66%	(34.51%)	1,389.87%



PPS Information Consultant Co., Ltd (PPS subsidiary, which holds 90% of the share capital.)

Summary of Financial Position And Performance	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	3.91	100.00%	8.87	100.00%	4.39	100.00%
Total liabilities	9.90	253.20%	9.95	112.18%	10.10	230.07%
Total shareholders' equity	(5.99)	(153.20%)	(1.08)	(12.18%)	(5.71)	(130.07%)
Total income	4.65	100.00%	8.09	100.00%	9.84	100.00%
Profit (loss) for the year	(5.12)	(110.11%)	0.91	11.25%	(4.63)	(47.05%)

Financial Ratios		2015	2016	2017
Liquidity Ratios	Time	0.25	0.72	0.21
Debt to equity shares Ratios	Time	(1.65)	(9.21)	(1.77)
Return on assets Ratios	%	(188.93%)	14.24%	(69.83%)
Return on equity Ratios	%	148.41%	(25.71%)	136.38%

ENSEMBLE EQUITY PTE. LTD. (PPS subsidiary, which holds 90.00% of the share capital.)

Summary of Financial Position And Performance	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	0.00	0.00%	10.14	100.00%	10.47	100.00%
Total liabilities	0.00	0.00%	0.19	1.87%	0.67	6.40%
Total shareholders' equity	0.00	0.00%	9.95	98.13%	9.80	93.60%
Total income	0.00	0.00%	0.00	100.00%	6.02	100.00%
Profit (loss) for the year	0.00	0.00%	(2.59)	(100.00%)	0.07	1.16%

Financial Ratios		2015	2016	2017
Liquidity Ratios	Time	0.00	53.37	15.49
Debt to equity shares Ratios	Time	0.00	0.02	0.07
Return on assets Ratios	%	0.00%	(25.54%)	0.68%
Return on equity Ratios	%	0.00%	(26.03%)	0.71%



Sapat Project Co., Ltd. (PPS subsidiary, which holds 60.00% of the share capital.)

Summary of Financial Position And Performance	AUDITED December 31, 2015		AUDITED December 31, 2016		AUDITED December 31, 2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Total assets	0.00	0.00%	0.00	0.00%	0.78	100.00%
Total liabilities	0.00	0.00%	0.00	0.00%	0.07	8.97%
Total shareholders' equity	0.00	0.00%	0.00	0.00%	0.71	91.03%
Total income	0.00	0.00%	0.00	0.00%	0.00	100.00%
Profit (loss) for the year	0.00	0.00%	0.00	0.00%	(0.29)	(100.00%)

Financial Ratios		2015	2016	2017
Liquidity Ratios	Time	0.00	0.00	0.78
Debt to equity shares Ratios	Time	0.00	0.00	0.10
Return on assets Ratios	%	0.00%	0.00%	(37.18%)
Return on equity Ratios	%	0.00%	0.00%	(40.85%)



14. Management Discussion and Analysis

Operating result

(A) Overview of the operating result

Through the year 2017, the company had achieved operating objectives including business expansion, seeking business opportunities in the parent business, subsidiaries, and joint ventures, in order to strengthen competitiveness and business development. The company has operating in various fields as follows:

- Local market — The company cooperated with the government sector, Basic Public Utilities according to the government policy. Also, the company continuously collaborated with the private sector including original partners and new partners. This resulted in the pleasant growth in revenues.
- Foreign market — As for a design service in Cambodia, the goal had not been achieved partly due to its business sector. Even the Company therefore had not opportunities to expand services for management and control system, but as design services collaborated with Swan & Maclaren (Thailand) Company Limited, the Company still had the opportunities to expand design services into Vietnam and other countries.
- Design Works — The Company's subsidiaries, which are PPSD Design Company Limited (PPSD) and Swan & Maclaren (Thailand) Company Limited (SMT), had a progressive operating performance and affected the increase of revenues from the cooperated projects. In 2017, 46% of the project for the first phase had been completed.
- Innovation and Information Technology Sector — the Company boosted and supported resources in innovation and information technology development working together with PPS Information Consultant Co., Ltd. The intention to develop was as to build a Company's foundation and to sustain the business in long term, as well as to have the developed innovation and information technology build the opportunities in construction industry in order for revenues growth. Importantly, it was to enhance the effectiveness of the Company's operating performance. In 2017, the Company has been continuously putting an attempt to improve the innovation in order to build the opportunities in revenues.

Overview of the Company and subsidiary's operating result is significantly expanded comparing to 2016. Total revenue of the Company and the subsidiaries in year 2015 to 2017 were 238.93 million baht in 2015, 319.19 million baht in 2016, and 396.03 million baht in 2017, respectively. The results were from Supervision services of construction project for the second phase of Suvarnabhumi International Airport and many projects which were in fully growth period. In 2017, the government sector's portion of our revenue is increasing as expected but less than the set goal. However, we will not drop down our strength in the private sector. Furthermore, we are in penetration into new markets and new potential customers as business partner to ensure our secured revenue. In 2017, we have successfully expanded into Data Center projects and factory sector. As the growing in design works, the revenue in the amount of 10.72 million baht were from that PPSD has been awarded of 46% for the first phase of the project.

The net profits (attributed to owners of the Company) were 3.39 million baht in 2015 and raising up to 32.18 million baht in 2016 and 55.17 million baht in 2017, respectively. Partly due to the revenue in 2017, the Company's net profit had increased significantly.



(B) Analysis of the Operating Result

REVENUE

The main revenue of the company and the subsidiaries have earned from providing consultancy and project construction management service. The accounting policy of the Company to recognize the revenue differs according to 2 contract types as follows:

1. The fixed-revenue contract (lump sum fixed price contract) where the Company recognizes the revenue from service providing on a percentage of completion method when a completion can be accurately estimated in accordance to the proportionate cost of service as incurred to the total estimated cost of service. The company bills the invoice on a monthly basis according to the amount in the contract.

2. The monthly-based payment contract where the Company recognizes the revenue when the service provided is completed and the service fee will be charged on a monthly basis according to the actual number of staffs involved in the project by calculating from the professional service fee for each profession stated in the contract.

For other service revenue from the subsidiaries, for example, other service revenue could be recognized when the service finished, the revenue of design architecture could be recognized during the design progress as the day in the revenue statement with acknowledged the finished portion.

For the fiscal year of 2015-2017, the revenues of the Company and the subsidiaries were 238.92 million baht, 319.10 million baht, and 396.03 million baht, respectively. The details are as follows:

	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from service	234.22	98.03%	306.92	96.18%	388.95	98.21%
Other revenue	4.71	1.97%	12.18	3.82%	7.08	1.79%
Total revenue	238.93	100.00%	319.10	100.00%	396.03	100.00%

Revenue from service

For the fiscal year of 2016-2017, the revenues from service of the Company and the subsidiaries were 234.22 million baht and 306.92 million baht, respectively. In the year 2017, the Company earned 388.95 million baht which was increased 82.03 million baht (26.73%) from previous year consists of the revenue from project directing and managing, the revenue of architectural design and the revenue of digital and media business.

Revenue from project directing and managing is provision of service to 58 new projects commenced in 2017 (earned 87.49 million baht), and 60 consecutive projects from previous year (earned 285.08 million baht). The results of Supervision services of construction project for the second phase of Suvarnabhumi International Airport and other projects, were in extreme progress in 2017. The government sector's portion of our revenue had increased as planned. However, the operating performance was sometimes delayed. The subsidiary, PPS Design Co., Ltd. which cooperates with wan & Maclaren (Thailand) Co., Ltd.'s revenues were from design works of 46% of the projects for the first phase. Moreover, revenue from digital & media business earned 3.41 million baht.

Revenues from new projects and the number of projects that were serviced and realized in each fiscal year during 2015-2017 can be categorized as below:



	2015		2016		2017	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from consecutive projects	161.87	38	175.45	46	296.5	60
2. Revenue from new projects	59.74	40	129.91	77	89.04	58
3. Revenue from event / media	12.61		1.56		3.41	
Total revenue from service	234.22	78	306.92	123	388.95	118

Other revenue

Other revenues from the Company and the subsidiaries included interest received, profit from selling of financial investment and other sources. During the fiscal year 2015-2017, the Company and the subsidiaries have earned 4.71 million baht, 12.18 million baht, and 7.08 million baht respectively as other revenues. Other revenues in 2017 were mainly earned from 0.98 million baht of the interest received, 2.58 million baht of profit from selling of financial investment, and 0.88 million baht of dividend received from investment unit fund.

Cost of Services and gross profit margin

Cost of services of the Company and the subsidiaries are comprised of major items such as salary, benefits, and personnel expenses for project directors, project managers, engineers, architects, technical specialists, and project secretaries. The Company recorded the costs according to the actual number of staffs in each project in accordance to the consultancy contract. Other service costs are comprised of project management expense and traveling expense for example. Additional consultancy cost is applicable for some projects which the Company has to employ external specialists.

For the fiscal year of 2015-2017, the Company and the subsidiaries' costs of services were 172.48 million baht, 206.24 million baht, and 255.41 million baht respectively, or 73.64%, 67.19%, and 65.67% of the revenue from services respectively. The cost of services in 2017 had increased as the proportion of the rise of Company and the subsidiaries' revenues due to the unexpected failure in operating performance of one of the subsidiaries. However, costs management and human resource remained the level of the increase as planned effectively.

For the fiscal year 2015-2017, the Company and the subsidiaries had a gross profit margin at 61.74 million baht, 100.69 million baht, and 133.54 million baht respectively, or 26.36%, 32.81%, and 34.33% of the total revenue from services respectively.

Administrative expense

Administrative expense of the Company and the subsidiaries were primarily consisted of office personnel including the executive, and other management expenses such as vehicle and transportation expenses, financial tax, and legal consultancy fee for example. During the fiscal year 2015-2016, the Company and the subsidiaries' administrative expenses were at 62.19 million baht and 64.67 million baht respectively.

For 2017, the administrative expense of the Company and the subsidiaries was at 78.68 million baht, increased of 14.01 million baht or 21.66% from the previous year. The administrative expense was partly from holding 30th year anniversary (PPS Corporate Event) which was 7.96 million baht, staffs and other administrative expenses increased by 5.50 million baht.

Other expenses

For the fiscal year 2017, other expenses had decreased at 9.86 million baht. The Company received 4.09 million baht from doubtful accounts in 2016 on a government sector's pending project. In 2017, the Company and the subsidiaries had



recorded the doubtful accounts from a project which had not received the bills at 0.98 million baht. The subsidiaries had recorded the doubtful accounts from the terminated-contract design at 0.15 million baht.

Share of profit from investment in shareholders and joint

In the fiscal year 2017, the Company had received the share of profit from its shareholders and joint venture increasing by 1.99 million baht due to the joint companies completing architectural design as of cooperating with the subsidiaries which was PPS Design Co., Ltd.

Net profit and net profit ratio

Fiscal year	2015	2016	2017
Net profit	3.39	32.18	55.17
Net profit ratio	1.42%	10.08%	13.93%
Average shareholder's equity	176.34	195.02	274.47
Return on equity	1.92%	16.50%	20.10%
Dividend payout	22.24	28.31	31.91
Dividend payout ratio	554.72%	90.68%	68.05%

For the fiscal year 2016-2017, the Company and the subsidiaries had a net profit margin (parent company part only) of 17.72 million baht and 32.18 million baht respectively, or net profit margin ratio of 1.42% and 10.08% of the total revenues respectively.

For the fiscal year 2017, the Company and the subsidiaries had a net profit margin (parent company part only) of 55.17 million baht or 13.93% of the revenue from service. This is a result of the overview of the revenue in 2017. The Company's net profit had increased significantly, caused by effective cost & personnel management.

Return on shareholder's equity

The Company and the subsidiaries' return on equity during the fiscal year 2015-2016 were 1.92% and 16.50% respectively. The average return on equity (only for the parent company) were 176.34 million baht and 195.02 million baht respectively.

During the fiscal year 2017, the Company and the subsidiaries' return on equity was 20.10%, an increase of 21.82% from the previous year. The return on equity (only for the parent company) was 332.65 million baht. The increment of the shareholder's equity in comparison to 2016 was resulting from the increase of net profit of 22.99 million baht or 71.44%

Financial position and assets

The net assets of the Company and the subsidiaries were valued at 217.93 million baht, 291.64 million baht, and 406.15 million baht on 31 December 2015, 31 December 2016, and 31 December 2017, respectively. Total assets in 2017 were increased by 114.51 million baht or 39.26% from the previous year. The examples of assets were 50.73 million baht in cash and cash equivalent, 154.27 million baht in temporary investment, and 133.25 million baht in account receivables and other receivables.

➤ Cash and cash equivalent

On 31 December 2015, 31 December 2016, and 31 December 2017, the Company and the subsidiaries possessed 16.83 million baht, 41.97 million baht, and 50.73 million baht of cash and cash equivalent respectively, mainly cash advance and petty



cash for project sites (5,000 – 25,000 baht per project). Remaining parts was bank deposit as saving accounts, current accounts and fixed deposit accounts.

As of 31 December 2017, the Company and the subsidiaries possessed 50.73 million baht of cash and cash equivalent, an increment of 8.76 million baht or 20.87% from the previous year resulting from the average duration of account receivables collection which was longer than last year but a delay of payment later than that of the previous year as well, and 2 advance payments of ordinary shares from exercise of PPS-W1 in 2017.

➤ Account receivables, other receivables, and allowance for doubtful debt

(Unit: Million baht)

Maturity	December 31, 2015	December 31, 2016	December 31, 2017
Not yet due	25.99	73.01	109.46
During 1-90 days	7.75	16.35	22.77
During 91-180 days	1.24	0	0.99
During 181-365 days	0.00	1.16	0.37
Over 365 days	1.10	1.09	1.35
Total	36.08	91.61	134.94
Less allowance for doubtful debt	(1.18)	(7.22)	(4.27)
Net account receivables	34.90	84.39	130.67

The Company's account receivables were coming from the 30-45-day credit term offered to the customers after the invoice date, however, the Company had a collection process from project owners which had a specific monthly schedule such as invoice date and cheque collection date for example, in order to collect the receivables in the scheduled time period.

As of 31 December 2015 and 31 December 2016, the company and the subsidiaries were having 34.90 million baht and 84.39 million baht in net account receivables respectively. As of 31 December 2017, the company has 130.67 million baht in net account receivables, an increase of 49.49 million baht was in line with increase of revenue growth.

As of 31 December 2017, the company and the subsidiaries have an increment in net account receivables and other receivables with more than 365 days of 1.13 million baht of doubtful debt from a pending construction project for 0.98 million baht and provision of doubtful debt for amended contract of design work for 0.15 million baht.

➤ retention

As of 31 December 2015, and 31 December 2016, the Company and the subsidiaries had a retention valued at 18.36 and 14.55 million baht respectively; this is to comply with the project management contract that requires the retention. The owner of large-scale projects or high-value or government-owned projects would deduct the retention from the invoiced amount for approximately 5-10 % of the project value. The average warranty period is 1-2 year from the delivery date.

As of 31 December 2017, the Company and the subsidiaries had a retention valued at 9.37 million baht, decreased from the year earlier, as the Company has successfully released back outstanding long period retention money for 9.45 million baht. The increased revenue during a year is the deduction of contributions under the conditions of the normal contract.

➤ Land, building, and equipment

As of 31 December 2015, and 31 December 2016, the Company and the subsidiaries possessed 9.87 million baht and 9.35-million-baht worth of net land, building and equipment, respectively. This comprised of the land and building of the head office, the decoration, facilities, office furniture, office equipments and vehicles, etc.



As of 31 December 2017, the Company and subsidiaries possessed 10.04-million-baht worth of net of property and equipment. During the year 2017, the Company had invested in office equipments such as office furniture and computers for 1.80 million baht according to normal accounting practices and asset disposal on project.

➤ **fixed deposits with pledged guarantee**

As of 31 December 2015, and 31 December 2016, the Company and the subsidiaries were having 12.89 million baht and 44.20 million baht in fixed deposits with pledged guarantee respectively, an increase from bank deposit as underlying asset for bank guarantee of performance bond form Suvarnabhumi International Airport phase 2 project.

As of 31 December 2017, the Company and the subsidiaries were having 9.01 million baht in fixed deposits with pledged guarantee, a decrease from land and equipments (partly) as underlying asset for bank guarantee as fixed deposits instead of Suvarnabhumi International Airport phase 2 project..

Capital source

● **Liabilities**

As of 31 December 2015, 31 December 2016, and 31 December 2017, the Company and the subsidiaries were having 44.88 million baht, 74.66 million baht, and 73.00 million baht for total liabilities respectively. The total of liabilities in year 2017 did not significantly increase. The Company and the subsidiaries have no outstanding loan or debts to any banks or financial institutions. Description of major items in the liabilities is listed below

○ **Account payables and other payables**

As of 31 December 2015, and 31 December 2016, the Company and the subsidiaries were having 21.54 million baht and 46.59 million baht in account payables and other payables, respectively. The Company was having account payables because some project owners would like to hire the overall project management and the Company does not have a specialist according to the requirement from the project owners, so the Company had hired external specialists. Other payables were inclusive of unpaid expenses and unearned revenue for example.

As of 31 December 2017, the Company and the subsidiaries were having 43.15 million baht in account payables and other payables. Account payables amount was 6.24 million baht and other payables amount was 36.91 million baht, which was comprised of 12.50-million-baht unpaid expense and 15.41-million-baht advance payment received (13.66 million baht from Suvarnabhumi International Airport phase 2 project), 4.03 million baht of payable bills 4.39 million baht of other payables for example.

○ **Employee benefit liabilities estimation**

As of 31 December 2015, 31 December 2016, and 31 December 2017, the Company and the subsidiaries were having 23.29 million baht, 25.56 million baht, and 28.57 million baht in employee benefits respectively, a net increase of 3.01 million baht or 11.78%. The increase of 3.97 million baht in record of provision but decrease of employee's retirement benefits of 0.96 million baht.

● **Shareholder's equity**

As of 31 December 2015, 31 December 2016, and 31 December 2017, the Company was having 173.74 million baht, 216.08 million baht, and 333.15 million baht in shareholder's equity, respectively. The shareholder's equity was increased



from the previous year as a result of capital increase from stock dividend of 25.47 million baht, advance payment of ordinary shares of 18.63 million baht, net profit in year 2017 and decrease from dividend payout of 28.30 million baht.

- Capital structure

The Company and the subsidiaries had the debt to equity ratio (D/E ratio) of 0.26 times, 0.34 times, and 0.22 times at the end of 2015, 2016, and 2017, respectively (calculated from total liabilities divided by the parent's company equity on the same year-end date). The debt to equity ratio in 2017 was decreased from the previous year as the increasing of the Company's shareholder equity, however, a total debts were not significantly different from the previous year

Liquidity

	Unit	December 31, 2015	December 31, 2016	December 31, 2017
Cash and cash equivalent	million Baht	15.83	41.97	50.73
Current assets	million Baht	144.02	202.55	349.95
Current liabilities	million Baht	21.60	49.11	44.42
Current ratio (Current assets/Current liabilities)	times	6.67	4.13	7.88
Cash flow from operation	million Baht	(9.93)	7.85	3.28

Current ratio at the end of 2017 was 7.88 times, increased from the year 2016 as increase of current assets were greater than increase of current liabilities. The Company still had high liquidity with increased of current assets for 147.40 million baht (72.77%) whilst decreased of current liabilities for 4.69 million baht (9.55%).

The Company and the subsidiaries' cash flow from operation was 3.28 million baht, decreased from the previous year due to the increase of account receivables, provided services, and cash of company's tax.

Investment expense

In 2017, The Company has invested more as follows:

- In April 2017, the company invested 1.30 million baht in a subsidiary which was Swan & Maclaren Co., Ltd. The increase of the shareholder equity was of 16%, so now as 51%. Later, the company still record as the joint-venture investment after changing the portion according to corporation management.
- In October 2017, the company established SAPATT Project Co., Ltd. Which holding 60% shares of 1 million baht registered capital.
- However, the Company and the subsidiaries had no significant investment expenses in 2017. The investment expense was only buying office stationary and computer equipment which was 1.80 million baht.