

PROJECT PLANNING SERVICE PCL.บริษัท โปรเจค แพลนนิ่ง เซอร์วิส จำกัด (มหาชน)
ทะเบียนนิติบุคคลเลขที่ 0 10 7 555 00014 7

14 November 2019

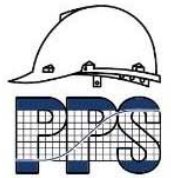
PPS/PCL-064/2562

Subject: Management Discussion and Analysis for The Third Quarter Ending 30 September 2019

Attention: Managing Director Stock Exchange of Thailand

The Project Planning Service Public Company Limited (PPS) would like to report and discuss the operating results for the third quarter ending 30 September 2019 compared to the same period of 2018 as shown in the table below:

Income statement (Consolidation)	Jul - Sep 2019		Jul - Sep 2018		Increase (Decrease)	
	Million Baht	% of Income	Million Baht	% of Income	Million Baht	%
Service income	106.27	100.00	102.38	100.00	3.89	3.8
Costs of services	78.06	73.45	73.64	71.93	4.42	6.0
Gross profit	28.21	26.55	28.74	28.07	(0.53)	(1.8)
Other income	6.48	6.10	2.57	2.51	3.91	151.7
Administrative expense	26.47	24.91	20.90	20.41	5.57	26.6
Other expense	2.02	1.90	2.79	2.73	(0.77)	(27.9)
Finance costs	0.05	0.05	0.00	0.00	0.05	29,673.8
Share of profit(loss) on investment in associates and joint venture	(0.15)	(0.14)	0.06	0.06	(0.21)	(340.8)
Profit before income tax expense	6.00	5.65	7.68	7.50	(1.68)	(21.8)
Tax expense	1.10	1.04	1.89	1.85	(0.79)	(41.8)
Profit for the period	4.90	4.61	5.79	5.66	(0.89)	(15.3)



Net Profit (Loss)

Net profit for the third quarter of PPS and its subsidiaries is 4.90 million Baht which is declining from the profit of 5.79 million Baht for the same quarter of last year which is a 0.89 million Baht less - a 15.3% less. The net profit is 4.6% of the cost of service or declining 5.79% from the cost of service of last year due to following reasons:

Service Revenue

The revenue increased by 3.89 million Baht (3.8% increase from the same period of last year). The reason for the less than expected increase is from the company's decision to realize the revenue of a project by equalizing the project revenue to the project cost due to the reason that the company is in the process of contract extension and requesting for additional service fee which has not yet been confirmed by the client. However, we expect more clarity by the end of the fourth quarter of this year.

Cost of Service

PPS and its subsidiaries have an increased cost of service of 4.42 million Baht compared to the same period of last year (an increase rate of 6.0%). The rate of increase is higher than the service revenue due to an increase cost of staff and their benefits together with the cost of specialists and also the employee's benefit accounting regulation.

Administrative Expense

PPS and its subsidiaries have and increased administrative expenses of 5.57 million Baht compared to the same period of last year (an increase rate of 26.6%). The reason for the increase is from the staff increase and fees incurred from the feasibility study of an investment project and rebranding cost.

Yours faithfully,

Tat Thongpakdi

Managing Director