

13<sup>th</sup> August 2020

PPS/PCL-044 /2563

Subject Management Discussion and Analysis for the three-month period ended 30 June 2020

To President, the Stock Exchange of Thailand

Project Planning Service Public Company Limited (“the Company” or “PPS”) would like to inform the management discussion and analysis for the operating performance of the three-month period ended 30 June 2020 of Project Planning Service Public Company Limited (“the Company” or “PPS”) as follows:

**Statement of comprehensive income****For the six-month period ended 30 June 2020**

| Statement of comprehensive income                                   | Apr - Jun 2020 |              | Apr - Jun 2019 |              | Increase (Decrease) |          |
|---|----------------|--------------|----------------|--------------|---------------------|----------|
|   | MB             | % On revenue | MB             | % On revenue | MB                  | Percent  |
| Service Income  | 81.58          | 100.00       | 106.08         | 100.00       | (24.50)             | (23.10)  |
| Cost of services  | 65.44          | 80.21        | 89.25          | 84.14        | (23.82)             | (26.68)  |
| Gross Profit  | 16.14          | 19.79        | 16.83          | 15.86        | (0.68)              | (4.06)   |
| Other income  | 9.01           | 11.04        | 5.96           | 5.62         | 3.04                | 51.05    |
| Administrative expense  | 24.59          | 30.14        | 26.92          | 25.37        | (2.33)              | (8.65)   |
| Other expenses  | 7.56           | 9.27         | 1.48           | 1.40         | 6.08                | 409.46   |
| Finance costs   | 4.65           | 5.71         | 0.05           | 0.05         | 4.60                | 9,002.55 |
| Share of profit(loss) on investment in associates and joint venture | (0.11)         | (0.13)       | 1.48           | 1.40         | (1.59)              | (107.24) |
| Profit (loss) before tax expense                                    | (11.76)        | (14.42)      | (4.18)         | (3.94)       | (7.58)              | 181.44   |
| Tax expense   | (0.94)         | (1.15)       | 0.92           | 0.87         | (1.86)              | (201.38) |
| Profit (loss) for the period  | (12.70)        | (15.56)      | (3.26)         | (3.07)       | (9.44)              | 290.05   |



### **Revenue from services**

Service income decreases from the same quarter of last year by 24.50 million Baht. (A reduction of 23.10 percent from the same quarter of last year) The reduction as compared to last year was that last year many big projects were in growing stage but in this quarter many projects are completed. Moreover, some big projects are being reconsidered with delays expected due to economic changes.

However, there are some projects which started in 2019 and are on schedule and new projects from expansion of Modern Trade which are in starting stage.

### **Cost of Services and Gross Profit**

Cost of services for the company and its subsidiaries has reduced by 23.82 million Baht from the same quarter of last year. (A reduction of 26.68 percent from the same quarter of last year) The reduction 16.44 million equivalent to 20.08 percent was resulting from the reduction of revenue and the impact of 7.37 million Baht from changes of Labor Protection Act. And because of the change of business direction the company needs to hire more specialists which results to the higher cost compared with the same item in same quarter of last year.

Gross profit decreased by 0.68 million or 4.06 percent as explained.

### **Administrative Expenses**

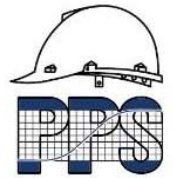
The administrative expenses of the company and its subsidiaries have decreased by 2.33 million Baht from the same quarter of last year. (Decrease of 8.65 percent.) The decrease came from the impact of 0.77 million Baht from changes of Labor Protection and re-branding expenses 1.79 and the brand development expenses which incurred in same quarter last year. In this quarter administrative expenses increase because of rent and office expansion.

### **Other Expenses**

The company and its subsidiaries recorded loss on assets termination and reserved allowance for doubtful debt of some projects.

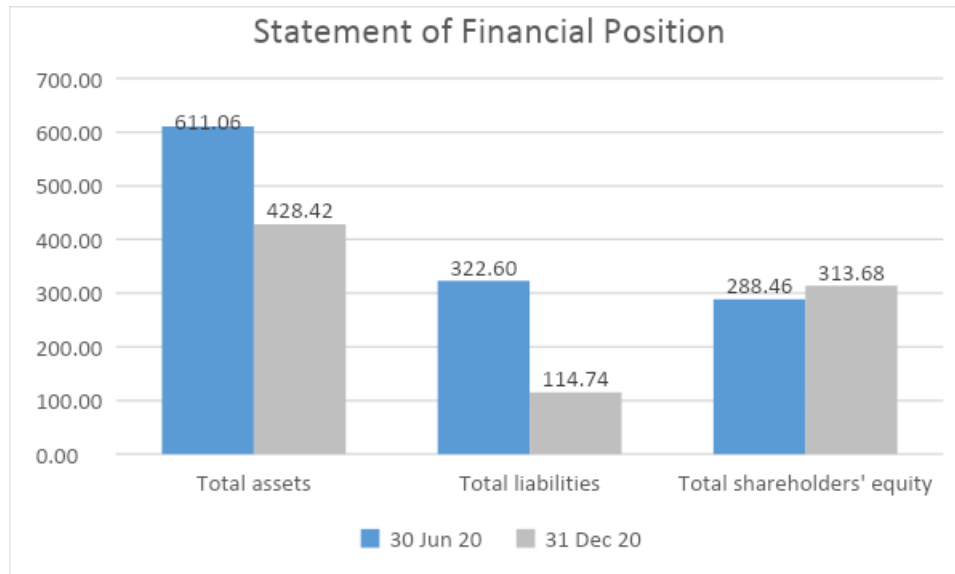
### **Net Profit (Loss) and Profit (Loss) Rate**

The company and its subsidiaries have operating loss for the quarter ending 30<sup>th</sup> June 2020 of 12.70 million Baht; a reduction of 9.44 million Bath or 290.05 percent reduction from the same quarter of last year. The loss rate is 15.56 percent from service revenue or increase loss 3.07 percent from the same quarter of last year.



**Balance Sheet.**

**As at 30<sup>th</sup> June, 2020**



At 30 June 2020, the group has total asset of 611.06 million Baht; an increase of 182.64 million Baht from 31 December 2019. The company booked a cash received of 62.28 million Baht from the operation. The company provided long term loan to an associated company for the operation of a real estate project for the amount of 200.87 million Baht. And the company booked assets from right of use assets according to the TFRS No. 16: leases for a value of 21.43 million Baht.

The group has liability of 207.85 million Baht at 31 December 2019 from the also booked a bond issue valued at 195.06 million Baht, lease liabilities 14.52.

The group shareholder’s equity is 288.46 million Baht resulting from the loss of 21.34 million Baht, equity investment value adjustment 3.65 million Baht.

The group’s Debt to Equity Ratio is 1.12 which increases from 0.37 as at 31<sup>st</sup> December 2019.

Sincerely Yours

(Mr. Tat Thongpakdi)

Managing Director