

Our ref. KWG 71/2018

14 August 2018

The President
 The Stock Exchange of Thailand

Re: Explanation of difference in operating results for the 2nd Quarter ended 30 June 2018

Dear Sir,

The unaudited consolidated financial statements of King Wai Group (Thailand) Public Company Limited for the 2nd quarter ended 30 June 2018 recorded the loss of Baht 223.9m, which was a 233.8%, decrease from profit to loss as compared to the same period.

For the period ended 30 June (Unit: Million Baht)

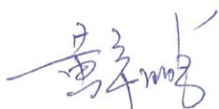
	2018	2017	Percentage changed
Profit / Loss for the period	-223.9	167.4	-233.8%
Gain from fair value adjustment	0.0	231.3	-100.0%
Turnover (Sale of Properties and Rental)	93.7	101.0	-7.2%
Gross Profit from properties business	31.8	28.1	13.2%
Gross Loss from insurance business	-121.6	0.0	100.0%

The movements for profit/loss are mainly due to the following reasons:

- (i) Lower unrealized gain on investment properties Baht 231.3m;
- (ii) Higher administrative expenses of Baht 76.1m due to staff costs, consultancy fee, decrease in value of property development and expenses from insurance business;
- (iii) Higher selling expenses of Baht 0.5m as a result of increase in promotion expenses;
- (iv) Higher exchange loss of Baht 6.8m from the Singapore dollar currency loan;

- (v) Higher finance cost of Baht 5.8m;
- (vi) Higher gross loss of Baht 121.6m from insurance business, which KWG acquired on May 16th, 2018;
- (vii) Lower revenue of Baht 8.6m from sales of properties, decreasing to Baht 81.8m;
- (viii) Higher revenue of Baht 1.3m from rental and services, increasing to Baht 12.0m;
- (ix) Higher gross profit from sales of properties of Baht 2.5m;
- (x) Higher gross profit from rental and services income of Baht 1.1m;
- (xi) Higher other income of Baht 1.0m;
- (xii) Lower income tax expense of Baht 46.2m.

Yours faithfully,



Mr. Yupeng Huang
Chief Executive Officer

