



Our ref. KWG 101/2018

13 November 2018

The President
The Stock Exchange of Thailand

King Wai Group (Thailand) Public Company Limited
 Head Office : 30th Floor, Jewellery Centre Building, 138/108 Nares Road,
 Sipsaya, Bangrak, Bangkok 10500, Thailand
 Branch Office : 47th Floor, Empire Tower, 1 South Sathorn Road, Yannawa,
 Sathorn, Bangkok 10120, Thailand
 Tel: (662) 129 5999 | Fax: (662) 129 5998

Re: Explanation of difference in operating results for the 3rd Quarter ended 30 September 2018

Dear Sir,

The unaudited consolidated financial statements of King Wai Group (Thailand) Public Company Limited for the 3rd quarter ended 30 September 2018 recorded the loss of Baht 78.3m, which was Baht 58.6m higher as compared to the same period of last year.

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

Consolidated Financial Statement	Q3Y2018	Q3Y2017	Percentage changed
Profit / Loss for the period	-78.3	-19.7	-297.5%
Revenue - Sale of Properties and Rental	33.2	161.4	-79.4%
Revenue - Gross Written Premium	111.2	0.0	N.A.

To be specific, our Financial Statement could be separated into two businesses segments – Real Estate and Insurance.

Real Estate Business	Q3Y2018	Q3Y2017	Percentage changed
Profit / Loss for the period	-62.4	-19.7	216.8 %

Turnover (Sale of Properties and Rental)	33.2	161.4	-79.4%
Gross Profit from properties business	12.5	45.4	-72.5%

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

- (i) Higher administrative expenses of Baht 21.4m due to consultancy fee and staff costs;
- (ii) Lower gross profit from sales of properties of Baht 33.8m.;
- (iii) Higher finance cost of Baht 1.8m;
- (iv) Higher gross profit from rental and services income of Baht 0.9m;
- (v) Higher exchange gain of Baht 7.5m from the Singapore dollar currency loan;
- (vi) Lower selling expenses of Baht 5.6m as a result of decrease in special business tax and transfer fee.

Insurance Business	Q3Y2018	Q3Y2017	Percentage changed
Profit / Loss for the period	-15.9	0.0	N.A. (First year consolidation)
Net premium earned	11.6	0.0	N.A. (First year consolidation)
Gross Profit from insurance business	1.5	0.0	N.A. (First year consolidation)

The movements for profit/loss for Insurance Business which KWG acquired on May 16th, 2018 are mainly due to the following reasons:

- (i) Administrative expenses of Baht 19.1m due to staff costs and information technology expense;
- (ii) Net premium earned of Baht 11.6m;
- (iii) Fee and commission income of Baht 20.4m;
- (iv) Net claim paid of Baht 1.1m;
- (v) Commission and brokerage expenses of Baht 22.2m;

- (vi) Other underwriting expenses of Baht 7.1m;
- (vii) Other income of Baht 1.4m.

Yours faithfully,



Mr. Tai Wai Keung
Executive President

