

Our ref. KWG 29/2019

8 November 2019

The President

The Stock Exchange of Thailand

King Wai Group (Thailand) Public Company Limited
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**Re: Explanation of difference in operating results for the 3rd Quarter ended
 30 September 2019**

Dear Sir,

The unaudited consolidated financial statements of King Wai Group (Thailand) Public Company Limited for the 3rd quarter ended 30 September 2019 recorded the loss of Baht 50.9m, which was a 35.0%, decrease from the loss of Baht 78.3m as compared to the same period of last year.

For the three-month periods ended 30 September (Unit: Million Baht)

Consolidated Financial Statement	Q3Y2019	Q3Y2018	Percentage changed
Loss for the period	-50.9	-78.3	(Performance ↑ 35.0%)
Revenue - Sale of Properties and Rental	18.6	33.2	(Revenue ↓ 44.0%)
Revenue - Gross Written Premium	145.1	111.2	(Revenue ↑ 30.5%)

To be specific, our Financial Statement could be separated into two businesses segments

– Real Estate and Insurance.

Real Estate Business	Q3Y2019	Q3Y2018	Percentage changed
Loss for the period	-49.1	-62.8	(Performance ↑ 21.8%)
Turnover (Sale of Properties and Rental)	18.6	33.2	(Turnover ↓ 44.0%)
Gross Profit from properties business	9.9	12.5	(Gross profit ↓ 20.8%)

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

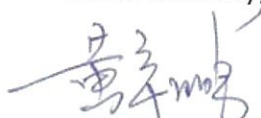
- (i) Lower administrative expenses of Baht 18.9m due to decrease consultancy fee and staff expenses;
- (ii) Higher exchange gain of Baht 0.2m from the Singapore dollar currency loan;
- (iii) Higher selling expenses of Baht 0.3m as a result of advertising and commission expenses;
- (iv) Higher finance cost of Baht 2.4m;
- (v) Lower gross profit from sales of properties of Baht 2.3m;
- (vi) Lower gross profit from rental and services income of Baht 0.3m.

Insurance Business	Q3Y2019	Q3Y2018	Percentage changed
Loss for the period	-1.8	-15.5	(Performance ↑ 88.4%)
Net premium earned	7.8	11.6	(Net earned ↓ 32.8%)
Gross Profit from insurance business	15.8	1.5	(Gross profit ↑ 953.3%)

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

- (i) Lower net claim paid of Baht 10.7m;
- (ii) Higher fee and commission income of Baht 5.3m;
- (iii) Lower commission and brokerage expenses of Baht 3.6m;
- (iv) Higher other income in investment and sale of assets of Baht 3.3m;
- (v) Lower net premium earned of Baht 3.7m;
- (vi) Higher administrative expenses of Baht 3.8m due to staff expenses;
- (vii) Higher other underwriting expenses of Baht 1.6m.

Yours faithfully,



Mr. Yupeng Huang
Director

