



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

Our ref. KWG 10/2019

27 February 2019

The President

The Stock Exchange of Thailand

**Re: Explanation of difference in operating results for the year ended 31 December 2018**

Dear Sir/Madam,

The audited consolidated financial statements of King Wai Group (Thailand) Public Company Limited for the year ended 31 December 2018 recorded the profit of Baht 69.0m, which was Baht 1.6m higher as compared to the same period of last year.

**For the year ended 31 December (Unit: Million Baht)**

<b>Consolidated Financial Statement</b>	<b>Y2018</b>	<b>Y2017</b>	<b>Percentage changed</b>
<b>Profit for the year</b>	69.0	67.4	2.4%
<b>Revenue - Sale of Properties and Rental</b>	247.0	406.0	-39.2%
<b>Revenue - Gross Written Premium</b>	219.1	0.0	N.A. (First year consolidation)

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

<b>Real Estate Business</b>	<b>Y2018</b>	<b>Y2017</b>	<b>Percentage changed</b>
<b>Profit / Loss for the year</b>	221.0	67.4	227.9%

<b>Turnover (Sale of Properties and Rental)</b>	247.0	406.0	-39.2%
<b>Gross Profit from properties business</b>	113.8	113.7	0.1%

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

- (i) Higher unrealized valuation gain on investment properties 341.1m;
- (ii) Higher gross profit from rental and services income of Baht 3.7m;
- (iii) Higher exchange gain of Baht 6.5m from the Singapore dollar currency loan;
- (iv) Higher administrative expenses of Baht 115.0m due to consultancy fee and staff costs;
- (v) Lower gross profit from sales of properties of Baht 3.6m.;
- (vi) Higher finance cost of Baht 8.1m;
- (vii) Higher selling expenses of Baht 2.2m as a result of advertising and event.

<b>Insurance Business</b>	<b>16 May to 31 Dec 2018</b>	<b>Y2017</b>	<b>Percentage changed</b>
<b>Profit / Loss for the year</b>	-152.0	0.0	N.A. (First year consolidation)
<b>Net premium earned</b>	-151.8	0.0	N.A. (First year consolidation)
<b>Gross Profit from insurance business</b>	-109.1	0.0	N.A. (First year consolidation)

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

- (i) Net premium earned of Baht -151.8m;
- (ii) Fee and commission income of Baht 87.5m;

- (iii) Net claim paid of Baht 33.7m;
- (iv) Commission and brokerage expenses of Baht 49.3m;
- (v) Other underwriting expenses of Baht 29.2m;
- (vi) Administrative expenses of Baht 51.7m due to staff costs and information technology expense;
- (vii) Other income in investment of Baht 7.2m.

Yours faithfully,



Mr. Yupeng Huang  
Director

