



Our ref. KWG 25/2019

13 August 2019

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,
 Sipraya, 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 2nd Quarter ended
 30 June 2019**

Dear Sir,

The unaudited consolidated financial statements of King Wai Group (Thailand) Public Company Limited for the 2nd quarter ended 30 June 2019 recorded the loss of Baht 98.8m, which was a 55.9%, decrease from the loss of Baht 223.9m as compared to the same period of last year.

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

Consolidated Financial Statement	Q2Y2019	Q2Y2018	Percentage changed
Loss for the period	-98.8	-223.9	-55.9%
Revenue - Sale of Properties and Rental	18.6	93.7	-80.1%
Revenue - Gross Written Premium	118.5	29.1	307.2%

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

– Real Estate and Insurance.

Real Estate Business	Q2Y2019	Q2Y2018	Percentage changed
Loss for the period	-45.2	-92.3	-51.1%
Turnover (Sale of Properties and Rental)	18.6	93.7	-80.1%
Gross Profit from properties business	9.9	31.8	-68.9%

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

- (i) Lower administrative expenses of Baht 46.8m due to decrease provision in value of property development and consultancy fee;
- (ii) Higher exchange gain of Baht 18.8m from the Singapore dollar currency loan;
- (iii) Lower selling expenses of Baht 2.4m as a result of special business tax and promotion expenses;
- (iv) Lower finance cost of Baht 1.4m;
- (v) Lower gross profit from sales of properties of Baht 21.5m;
- (vi) Lower gross profit from rental and services income of Baht 0.3m;

Insurance Business	Q2Y2019	Q2Y2018	Percentage changed
Loss for the period	-53.6	-131.5	-59.2%
Net premium earned	-18.2	-136.9	-86.7%
Gross Loss from insurance business	-29.2	-121.6	-76.0%

The movements 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 118.6m;
- (ii) Fee and commission income of Baht -10.1m;
- (iii) Net claim paid of Baht 1.8m;
- (iv) Commission and brokerage expenses of Baht -10.0m;
- (v) Other underwriting expenses of Baht -7.8m;
- (vi) Administrative expenses of Baht -16.3m due to staff costs and information technology expense;
- (vii) Other income in investment of Baht 1.7m.

Yours faithfully,



Mr. Yupeng Huang
Director

