



TRANSLATION

Safari World Public Company Limited
 Registration No. B.M.J. 0107537000351

Ref. No. 070/2018

November 14, 2018

Subject : The Explanation and Analysis Report of the Financial Positions and Result of Business Operations

To : President of The Stock Exchange of Thailand

The Explanation and Analysis Report of the Financial Positions and Result of Business Operations are summarized as follows:

1. The Consolidated Financial Statements

1.1 Report and analysis of Business Operations

Revenue

Revenue from operations

Revenue from operations for the Company and its subsidiaries for the third quarter of the year 2018 was totally Baht 535.52 million decreased from Baht 539.13 million for the third quarter of the year 2017 of Baht 3.61 million or -0.7% resulted from decrease in number of tourists of the subsidiary.

(million)	2018	2017	increase (decrease)	
			million	%
Sales of tickets	341.97	336.23	5.74	1.7
Sales of food and beverages	106.34	111.83	(5.49)	(4.9)
Other revenue from operations	87.21	91.07	(3.86)	(4.2)
Total revenues	535.52	539.13	(3.61)	(0.7)



Other income

Other income for the third quarter of the year 2018 of Baht 5.29 million increased from Baht 4.04 million for the third quarter of the year 2017 of Baht 1.25 million or 30.9%.

Expenses

Cost of sales and services

Cost of sales and services for the third quarter of the year 2018 of Baht 214.88 million increased from Baht 206.28 million for the third quarter of the year 2017 of Baht 8.60 million or 4.2% due to increase in employees benefits.

Loss on death of animal for the third quarter of the year 2018 of Baht 12.26 million increased from Baht 0.78 million for the third quarter of the year 2017 of Baht 11.48 million or 1,471.8%.

For the third quarter of the year 2018, gross profit was Baht 265.70 million decreased from Baht 282.91 million for the third quarter of the year 2017 of Baht 17.21 million or -6.1% resulted to gross profit margin of the third quarter of the year 2018 was at 49.6% slightly decreased from the third quarter of the year 2017 which was 52.5%.

Selling and administrative expenses

Selling and administrative expenses of the third quarter of the year 2018 of Baht 166.17 million increased from Baht 159.18 million for the third quarter of the year 2017 of Baht 6.99 million or 4.4% due to increase in employees benefits of Baht 11.13 million as significant.

Finance costs

Finance costs of the third quarter of the year 2018 of Baht 47.86 million increased from Baht 20.06 million for the third quarter of the year 2017 of Baht 27.80 million or 138.6% due to increase of long-term debentures.

Summary operating results

The Company and its subsidiaries had net profit for the third quarter of the year 2018 of Baht 39.60 million decreased from Baht 88.28 million for the third quarter of the year 2017 of Baht 48.68 million or -55.1% due to revenue from operations was decreased while the overall expenses was increased at the higher rate than the revenue growth.

(million)	2018	2017	increase (decrease)	
			million	%
Total revenues	535.52	539.13	(3.61)	(0.7)
Cost of sales and services	(214.88)	(206.28)	8.60	4.2
Loss on death of animals	(12.26)	(0.78)	11.48	1,471.8
Depreciation	(42.68)	(49.16)	(6.48)	(13.2)
Gross profit	265.70	282.91	(17.21)	(6.1)
Selling and administrative expenses	(166.17)	(159.18)	6.99	4.4
Other incomes	5.29	4.04	1.25	30.9
Profit before interest and expense tax	104.82	127.77	(22.95)	(18.0)
Finance costs	(47.86)	(20.06)	27.80	138.6
Profit before expense tax	56.96	107.71	(50.75)	(47.1)
Expense tax	(17.36)	(19.43)	(2.07)	(10.7)
Net profit	39.60	88.28	(48.68)	(55.1)
Gross Profit Margin	49.6%	52.5%		
Earnings before interest and taxes	19.6%	23.7%		
Earnings before taxes	10.6%	20.0%		
Net Profit Margin	7.4%	16.4%		

1.2 Report and analysis of financial positions

(million)	As at September 30, 2018	As at December 31, 2017	increase (decrease)	
			million	%
Total assets	6,737.09	5,948.06	789.03	13.3
Interest-bearing debts	3,153.13	2,433.16	719.97	29.6
Total Liabilities	3,600.78	2,966.06	634.72	21.4
Total shareholder's equity	3,136.31	2,982.00	154.31	5.2
Interest bearing debt to equity ratio	1.01	0.82		
Debt to equity ratio	1.15	0.99		

Assets

As at September 30, 2018, the Company and its subsidiaries had total assets of Baht 6,737.09 million increased from Baht 5,948.06 million as of December 31, 2017 of Baht 789.03 million or 13.3% primarily from the additional purchase of property, plant and equipment of Baht 950.08 million mostly was the construction in progress for Carnival Magic project. Temporary investment increased of Baht 48.44 million. Trade and other current receivables decreased from the refundable of value added tax from the Revenue Department of Baht 119.20 million. Other non-current assets decreased of Baht 81.10 million from transferring advance under the construction contract to construction in progress as significant.

Liabilities

As at September 30, 2018, the Company and its subsidiaries had total liabilities of Baht 3,600.78 million increased from Baht 2,966.06 million as of December 31, 2017 of Baht 634.72 million or 21.4% primarily from the increase in interest-bearing debts of Baht 719.97 million resulting to the interest-bearing debts to equity ratio and debt to equity ratio was increased to 1.01 and 1.15, respectively.

Shareholders' equity

As at September 30, 2018, the Company and its subsidiaries had total shareholders' equity of Baht 3,136.31 million increased from Baht 2,982 million as of December 31, 2017 of Baht 154.31 million or 5.2% from recognized net profit the third quarter of the year 2018 and increasing ordinary shares of non-controlling interests of Baht 9.88 million.

2. The separate financial statements

2.1 Report and analysis of Business Operations

Revenue

Revenue from operations

Revenue from operations for the Company for the third quarter of the year 2018 totally Baht 299.92 million increased from Baht 258.97 million for the third quarter of the year 2017 of Baht 40.95 million or 15.8% due to revenue from sales of ticket and sales of food and beverages were increased of Baht 30.20 million and Baht 10.19 million, respectively from increase in number of tourists and selling price.

(million)	2018	2017	increase (decrease)	
			million	%
Sales of tickets	179.37	149.17	30.20	20.2
Sales of food and beverages	70.93	60.74	10.19	16.8
Other revenue from operations	49.62	49.06	0.56	1.1
Total revenues	299.92	258.97	40.95	15.8

Other income

Other income for the third quarter of the year 2018 of Baht 9.64 million increased from Baht 3.78 million for the third quarter of the year 2017 of Baht 5.86 million or 155% due to interest income from short-term loans to related parties of Baht 4.26 million as significant.

Expenses

Cost of sales and services

Cost of sales and services for the third quarter of the year 2018 of Baht 114.04 million increased from Baht 103.37 million for the third quarter of the year 2017 of Baht 10.67 million or 10.3% in line with the increase in revenues.

Loss on death of animal for the third quarter of the year 2018 of Baht 12.26 million increased from Baht 0.78 million for the third quarter of the year 2017 of Baht 11.48 million or 1,471.8%.

For the third quarter of the year 2018, gross profit was Baht 150.41 million increased from Baht 123.34 million for the third quarter of the year 2017 of Baht 27.07 million or 21.9% which was higher than the increase in revenue from operations stated at 15.8% due to the lower rate of the increase in cost of sales resulting to the increase in gross profit margin of the third quarter of the year 2018 to 50.2% increased from 47.6% for the third quarter of the year 2017.

Selling and administrative expenses

Selling and administrative expenses of the third quarter of the year 2018 of Baht 80.15 million increased from Baht 75.05 million for the third quarter of the year 2017 of Baht 5.10 million or 6.8% due to increase in employees and management benefits and reward as significant.

Finance costs

Finance costs of the third quarter of the year 2018 of Baht 12.80 million decreased from Baht 15.64 million for the third quarter of the year 2017 of Baht 2.84 million or -18.2% in line with the decrease in interest-bearing debts.

Summary operating results

The Company had net profit for the third quarter of the year 2018 of Baht 52.03 million increased from Baht 36.70 million for the third quarter of the year 2017 of Baht 15.33 million or 41.8% due to revenue from operations was increased and the overall expenses was increased at the lower rate than the revenue growth.

(million)	2018	2017	increase (decrease)	
			million	%
Total revenues	299.92	258.97	40.95	15.8
Cost of sales and services	(114.04)	(103.37)	10.67	10.3
Loss on death of animals	(12.26)	(0.78)	11.48	1,471.8
Depreciation	(23.21)	(31.48)	(8.27)	(26.3)
Gross profit	150.41	123.34	27.07	21.9
Selling and administrative expenses	(80.15)	(75.05)	5.10	6.8
Other incomes	9.64	3.78	5.86	155.0
Profit before interest and expense tax	79.90	52.07	27.83	53.4
Finance costs	(12.80)	(15.64)	(2.84)	(18.2)
Profit before expense tax	67.10	36.43	30.67	84.2
Expense tax	(15.07)	0.27	(15.34)	(5,681.5)
Net profit	52.03	36.70	15.33	41.8
Gross Profit Margin	50.2%	47.6%		
Earnings before interest and taxes	26.6%	20.1%		
Earnings before taxes	22.4%	14.1%		
Net Profit Margin	17.3%	14.2%		

2.2 Report and analysis of financial positions

(million)	As at September 30, 2018	As at December 31, 2017	increase (decrease)	
			million	%
Total assets	3,863.08	3,730.45	132.63	3.6
Interest-bearing debts	678.38	690.15	(11.77)	(1.7)
Total Liabilities	876.18	860.88	15.30	1.8
Total shareholder's equity	2,986.90	2,869.57	117.33	4.1
Interest bearing debt to equity ratio	0.23	0.24		
Debt to equity ratio	0.29	0.30		

Assets

As at September 30, 2018, the Company had total assets of Baht 3,863.08 million increased from Bath 3,730.45 million as of December 31, 2017 of Baht 132.63 million or 3.6% primarily from short-term loans to related parties of Baht 121.69 million and temporary investment increased of Baht 48.44 million but animal and plants decreased of Baht 43.86 million from death of animal as significant.

Liabilities

As at September 30, 2018, the Company had total liabilities of Baht 876.18 million increased from Baht 860.88 million as of December 31, 2017 of Baht 15.30 million or 1.8% primarily from the increased of income tax payable of Baht 22.61 million resulting to the interest-bearing debts to equity ratio and debt to equity ratio was decreased to 0.23 and 0.29, respectively.

Shareholders' equity

As at September 30, 2018, the Company had total shareholders' equity of Baht 2,986.90 million increased from Baht 2,869.57 million as of December 31, 2017 of Baht 117.33 million or 4.1% from recognized net profit for the third quarter of the year 2018 as significant.

Please be informed accordingly.

Sincerely yours,

Apar Kewkacha

(Apar Kewkacha)

President
