



Safari World Public Company Limited

Registration No. B.M.J.0107537000351

Ref. No. 062/2021

August 16, 2021

Subject: The Explanation and Analysis Report of the Financial Positions and Result of Business Operations for 3 months period ending on 30 June 2021

To: President of The Stock Exchange of Thailand

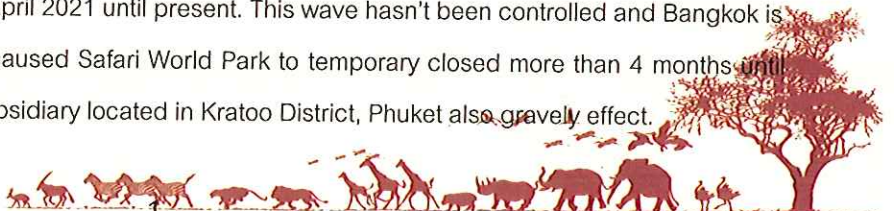
Safari World Public Company Limited (the "Company") wishes to submit Financial Statement for 3-month and 6-month period ending on 30 June 2021 certified by auditor appointed by the Company's Board of Director. Since Covid-19 outbreak made the 2021 Annual General Meeting of the Shareholder to indefinitely postpone, therefore, the Annual General Meeting of the Shareholder still hasn't duly appointed such Auditor. The Company shall request the Annual General Meeting of the Shareholder to consider and appoint an Auditor in the first occurrence when possible.

Detail of the explanation and analysis report of the financial positions and result of business operations are hereof;

1. The pandemic of Covid-19 and its effect on business operation

Due to the pandemic of Covid-19 since beginning of 2020 has direct effect on business operation of the group of Company which consist of travel and leisure target to international tourists who are the main customer. Despite during 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2020, Thai government has somewhat success to subpress the spread of virus, but Thai government hasn't allow inbound travel without 14 days quarantine. As a result, Phuket Fantasea has been force to temporary closed until present and Safari World has been adapted to new sale and service, focus on Thai customers, selling annual ticket, having around 100,000 annual members.

Then, on 6 April 2021, the latest wave of outbreak has broken from an epicenter of Bangkok and caused infection more severe than any prior waves. Therefore, the government decided to close all operation of zoo and animal show premises temporary from 26 April 2021 until present. This wave hasn't been controlled and Bangkok is still the heaviest infected area, these are caused Safari World Park to temporary closed more than 4 months until present. Phuket Fantasea, a Company's subsidiary located in Kratoo District, Phuket also gravely effect.



## 2. Summary of Business Operations in 2021

In 2<sup>nd</sup> quarter 2021, has net loss of 254.18 million Baht. When compared with the same period of the previous year that had a net loss of 214.93 million Baht, then the net profit increases 39.25 million baht or 18.26% due to an effect from Covid-19 pandemic cause the Company to have income from operation at 41.93 million Baht only from an operation of Safari World during 1-25 April 2021 (opened only on Saturday, Sunday and public holiday) and temporary close from 26 April 2021 until present.

### Revenue from operation

The group of companies' total revenue for Q2/2021 was 41.93 million Baht, comprising revenue from ticket sales of 35.87 million Baht, food and beverage sales of 1.53 million Baht and other operating income of 4.53 million Baht, all generate solely from Safari World's operation.

Compared to the same period of the previous year, the group of companies' total revenues increased by 38.84 million Baht, since the Company had to close its business temporary throughout Q2/2020 in contrary to Q2/2021 which Safari World can operate during 1-25 April 2021 (opened only on Saturday, Sunday and public holiday) and realizing a revenue from Annual ticket promotion "Safari 365 Annual Ticket" on sale during Q3-Q4/2021 which able ticket holder to visit park unlimited time from 1 September 2020 to 31 August 2021 significantly.

### Summary of revenue from operation of 2<sup>nd</sup> Quarter 2021 and 2020

Unit: Million Baht	Consolidated			
	For quarter	For quarter	Increase	Percent
	2/2021	2/2020	(Decrease)	
Sales of tickets	35.87	-	35.87	-
Sales of food and beverages	1.53	0.50	1.03	206.00
Other revenue from operations	4.53	2.59	1.94	74.90
<b>Total revenues</b>	<b>41.93</b>	<b>3.09</b>	<b>38.84</b>	<b>1,256.96</b>

### Other income

Other income for Q2/2021 totaled 7.89 million Baht, has increase compared to the same period of the previous year 5.74 million Baht significantly due to income from the sale of newborn animals and assets.

#### Cost of sale and services

Cost of sales and services for Q2/2021 totaled 43.28 million Baht has decreased when compared to the same period of the previous year at 46.33 million Baht since the group of companies has continuously implemented measures to reduce expenses to maintain the liquidity of the cash flow as much as possible for example, the cost of animal husbandry, utilities, water and electricity bills, etc.

#### Loss on death of animals

Loss from dead animals for Q2/2021 totaled 3.50 million Baht has decreased compared to the same period in 2020 of 5.25 million Baht, totaled 1.75 million Baht, or a decrease of 33.33% as a result of more sophisticated animal care measures in feed result in reduction of the number of dead animals.

#### Depreciation

In Q2/2021, the group of companies had depreciation of 4.93 million Baht decreased when compared to the same period of year 2020 of 41.87 million Baht, totaled 36.94 million Baht or a decrease of 88.23% significantly due to the categorize of depreciation during close of operation to cost of administration.

#### Expected Credit Loss

For Q2/2021, the group of companies has expected credit loss of 11.85 million Baht, increased when compared to the same period of year 2020 of 2.04 million Baht totaled 9.81 million Baht, or an increase of 480.88%, significantly due to the subsidiary has reserved doubtful debt of loan usage fee to a financial institution which hasn't been used and allowance for doubtful accounts from trade accounts receivable affected by Covid – 19.

#### Selling and administrative expenses

Selling and administrative expenses for Q2/2021 totaled 149.40 million Baht had increased when compared to the same period of year 2020 of 66.82 million Baht, totaled 82.58 million Baht or an increase of 123.59% significantly due to the realization of Company's depreciation from 26 April – 30 June 2021 during close of operation and the subsidiary depreciation during close of operation and administrative expense as well as a severance from termination according to an estimation of an actuary.

#### Financial cost

Financial costs for the Q2/2021 totaled 96.88 million Baht, had increased when compared to the same period of year 2020 of 60.85 million Baht, totaled 36.03 million Baht or an increase of 59.21% significantly due to an increase

in short-term debentures and loans from financial institutions. In addition, interest payments as costs in some of the Carnival Magic projects, which have temporarily suspended construction have not been booked.

Summary of operation result of 2<sup>nd</sup> Quarter 2021 and 2020

Unit: Million Baht	Consolidated			
	For quarter	For quarter	Increase	Percent
	2/2021	2/2020	(Decrease)	
Revenues	41.93	3.09	38.84	1,256.96
Cost of sales and services	(43.28)	(46.33)	(3.05)	(6.58)
Depreciation	(3.50)	(5.25)	(1.75)	(33.33)
Loss on death of animals	(4.93)	(41.87)	(36.94)	(88.23)
Gross(Loss) profit	(9.78)	(90.36)	80.58	(89.18)
Expected credit losses	(11.85)	(2.04)	9.81	480.88
Other income	7.89	5.74	2.15	37.46
Cost of sale and services	(149.40)	(66.82)	82.58	123.59
Profit (loss) from operation	(163.14)	(153.48)	9.66	6.29
Finance costs	(96.88)	(60.85)	36.03	59.21
Income tax expenses	5.84	(0.60)	6.44	1,073.33
Net profit (loss)	(254.18)	(214.93)	39.25	18.26
EBITDA	(158.21)	(111.61)		
Gross margin	%	(23.32)	(2,924.27)	
Net profit margin	%	(606.20)	(6,955.66)	
Return on Assets (ROA)	%	(2.89)	(2.41)	
Return on Equity (ROE)	%	(8.85)	(6.51)	

### 3. Report and analysis of financial positions

Unit: Million Baht	Consolidated			
	As at 30 Jun 21	As at 31 Dec 20	Increase (Decrease)	Percent
Current assets	96.67	140.24	(43.57)	(31.07)
Non-Current assets	8,683.39	8,787.25	(103.86)	(1.18)
<b>Total assets</b>	<b>8,780.06</b>	<b>8,927.49</b>	<b>(147.43)</b>	<b>(1.65)</b>
Current liabilities	1,509.97	3,310.49	(1,800.52)	(54.39)
Non-current liabilities	4,398.78	2,314.63	2,084.15	90.04
<b>Total Liabilities</b>	<b>5,908.75</b>	<b>5,625.12</b>	<b>283.63</b>	<b>5.04</b>
Total shareholders'equity	2,871.32	3,302.37	(431.05)	(13.05)
<b>Total liabilities and shareholders'equity</b>	<b>8,780.07</b>	<b>8,927.49</b>	<b>(147.42)</b>	<b>(8.01)</b>
Current Ratios	As much as	0.06	0.04	
Debt to Equity Ratio	As much as	2.06	1.70	
Debt Ratio	As much as	0.67	0.63	
Interest Coverage Ratio	As much as	1.68	2.52	

#### Assets

As of 30 June 2021, the group of companies has total asset of 8,785.06 million Baht, had decreased 147.43 million Baht or 1.65% compare the end of 2020 significantly due to the decrease in trade accounts receivable and other current receivables amounted to 40.15 million Baht, from the allowance for doubtful accounts because the main customer which are tour operators has been affected by the Covid-19 epidemic causing these debtor to be overdue for more than 12 months and advance payments for the purchase of assets and animals decreased by 16.09 million Baht due to an allowance for impairment of advance payments for dolphin purchases.

Recording of allowance for impairment of advance payments for dolphin purchases since the Company has ordered dolphins from Japan since the end of 2019 and made an advance payment of 16.03 million Baht Later, at the end of 2020, the seller asked the Company to pay last installment for the dolphins and pay for food and caretaker. For a total amount of 21 million Baht. But due to the Covid-19 epidemic, it is not possible to traveling to the facility for inspection and to maintain sufficient cash flow liquidity for business operations, management has decided to reserve for doubtful debts in advance for the whole amount of dolphin purchase. Due to the current situation of the COVID-19 is uncontrollable, causing the tourism business to recover gradually during the past year, Safari World is the only

business that able to open, hence the group of companies has encountered liquidity problems. Therefore, it is necessary to manage expenses carefully.

The current construction of Carnival Magic Project has been stopped since Q2/2021. The pandemic also forces Phuket Fantasea to temporary close and terminate almost of its employees. These factors caused Carnival Magic Project to temporary stop, consequently, the subsidiary had to stop record interest expense as cost of assets under construction and would resume to record interest expense as part of cost of construction in progress assets when construction resumed.

#### Liabilities

As of 30 June 2021, the Group had total liabilities of 5,908.75 million Baht, an increase of 283.63 million Baht or 5.04% compared to the end of 2020. This was mainly due to an increase in trade and other payables increased by 173.48 million Baht, an increase in interest-bearing liabilities of 78.90 million Baht from financial institutions. and short-term borrowing from individuals and related companies amounting to 23.65 million Baht to fund the liquidity of the group of companies.

#### Shareholders' equity

As of 30 June 2021, the Group's shareholders' equity amounted to 2,871.30 million Baht, a decrease of 13.05% compared to end of 2020 mainly due to a decline in retained earnings.

Please be informed accordingly.

Sincerely yours,

Apar Kewkacha

(Apar Kewkacha)

President