



## TRANSLATION

Safari World Public Company Limited

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Subject: The explanation and analysis report of the financial positions and result of business operations ending 31 December 2021 which has more than 20% variation compared to the previous year

To: Directors and President of The Stock Exchange of Thailand

Safari World Public Company Limited (the “Company”) wishes to notify the explanation and analysis of the financial positions and result of business operation of the Company and its subsidiary ending 31 December 2021 which has more than 20% variation compare to the previous year. Details are hereof;

### The pandemic of Covid-19 has continued for almost 2 years which effect on business operation

Due to the pandemic of Covid-19 on a global scale has continued for almost 2 years, result in many changes. Mutation of many Covid-19 variants, introduction of many Covid-19 vaccines and development of Covid medicine are a few to mention.

The new Covid wave of 2021 spread in Thailand had begun with nightlife and entertainment cluster, then amplified to its peak on the middle of April 2021. The government has, again, announced an order to close all operation of zoo and animal show premises temporary from 26 April to 30 September 2021 since Bangkok is considered an area of highest risk. Following such order, Safari World Park has temporary closed for a total period of 5 months 15 days in 2021 and this was considered the worst effect on Thailand tourism industry since the beginning of 2020.

For the operation of subsidiaries which located in Phuket, despite the government has re-open country border from 1 July 2021 to receive foreign tourist in “Phuket Sand Box” project and other areas’ project, but the number of tourists will largely depend on the Covid situation and vaccinated rate. Since the global situation has not fully improved, the number of tourists enter into Phuket still not reach the optimal point. Therefore, Phuket Fantasea is still forced to remain close for an almost 20 month period from 18 March 2020 to the present.



Later, the Government announced an order to allow zoo to reopen from 1 October 2021 on a condition that the business operator has to follow “New Normal” service protocol including distancing, fully vaccinated staff, and staff’s regular ATK test. Safari World Park pass all inspected by the government and able to reopen on 9 October 2021. During this period, Marine Park zone only open on Friday to Sunday and public holiday and Safari Park zone open every day.

From relaxing of the lockdown, and reopen for international tourist from 1 November 2021 by the fact that vaccine distribution is better than expect in August 2021, tourism sector may start to recover in the last quarter of 2021. However, the global situation is unstable, and the quarantine enforce by other countries still largely unsettle, therefore, the number of international tourists is expected to be low. Safari World has increased its customer target to focus on local tourist and able to resubscribe annual ticket “Safari 365” from 26 August 2021 and realize as income to circulate a cashflow during the temporary close. The Company and its subsidiaries have implemented prudential management to support the rough economic from Covid-19.

#### **1. Financial Statement of 2021**

In 2021, the group of companies has net loss of 922.23 million Baht consisting of the Company loss (individual) of 275.40 million Baht since the Subsidiaries has almost 20 months temporary closed since 19 March 2020 to the present. When compared with the year 2020 that the group of companies had a net loss of 657.14 million Baht, then the net loss increased 265.09 million Baht or increased 40.34% with the following main factors:

##### **Revenue from operation**

The group of companies’ total revenue for the year 2021 was 210.39 million Baht, comprising revenue from ticket sales of 153.94 million Baht (in 2021, Safari World Park has temporary closed for 5 months 13 days and the Subsidiaries has temporary closed for the whole year), food and beverage sales of 17.82 million Baht and other operating income of 38.63 million Baht.

Compared to the same period of the previous year, the group of companies’ total revenues decreased by 260.61 million Baht or 55.33%, due to a decrease in the number of foreign tourists effected by stricter travel control. Even though the Company has changed its business strategy to shift its focus to domestic tourists instead of foreign tourists, but the local spread of Covid which the Company has temporary closed from 26 April to 8 October 2021 and Phuket Fantasea (the Subsidiaries) has temporary closed from 19 March 2020 to the present are affected significantly and decrease profit of the group of companies.

Summary of annual revenue of 2021 and 2020

Unit: Million Baht	For the year			
	2021	2020	change	%
Sale of ticket	153.94	296.15	(142.21)	48.02
- Safari World	153.94	220.34	(66.44)	30.14
- Phuket Fantasea	-	75.81	(75.81)	100.00
Sale of food and beverage	17.82	84.83	(67.01)	78.99
- Safari World	17.82	65.43	(47.61)	72.76
- Phuket Fantasea	-	19.40	(19.40)	100.00
Other revenue from operations	38.63	90.02	(51.39)	57.09
- Safari World	36.34	71.00	(34.66)	48.82
- Phuket Fantasea	2.29	19.02	(16.73)	87.96
Total revenues	210.39	471.00	(260.61)	55.33

Summary of annual operating result of 2021 and 2020

Unit: Million Baht	For the year			
	2021	2020	change	%
Total revenues	210.39	471.00	(260.61)	55.33
Cost of sales and services	(183.59)	(368.10)	(184.51)	50.12
Loss of death of animals	(19.53)	(23.25)	(3.72)	16.00
Depreciation	(49.60)	(166.59)	(116.99)	70.23
Gross profit (loss)	(42.33)	(86.94)	(44.61)	51.31
Expected credit loss	(32.62)	(1.88)	30.74	1,635.11
Loss from fixed asset impairment	(10.58)	-	10.58	-
Other incomes	33.60	40.72	(7.12)	17.49
Cost of Sale and administration	(509.41)	(396.17)	113.24	28.58
Profit (Loss) from operation	(561.34)	(444.27)	117.07	26.35
Financial cost	(375.14)	(213.53)	161.61	75.68
Income (Cost) Income Tax	14.25	0.65	13.60	2,092.31
Net Profit (Loss)	(922.23)	(657.15)	265.08	40.34
Gross profit (loss) margin	-20.12%	-18.46%		
Earning before interest and taxes	-266.81%	-94.32%		
Net profit (loss) margin	-438.34%	-133.15%		

#### Other income

Other income for the year 2021 totaled 33.60 million Baht, has decreased of 17.49% compared to the same period of the previous year at 40.72 million Baht significantly since the Board of Director 3/2020 decided to cancel accrued employee's bonus 20 million Baht and record as other income.

#### Cost of sale and services

Cost of sales and services for the year 2021 totaled 183.59 million Baht has decreased 5.12% when compared to the same period of the previous year at 368.10 million Baht which is consistence to the proportion of less operation day and of lower revenue such as food and beverage costs and labor costs, etc., while fixed costs have been reduced as well, for example, the cost of animal husbandry, utilities, water and electricity bills, etc since the group of companies has continuously implemented measures to reduce expenses to maintain the liquidity of the cash flow as much as possible.

#### Loss on death of animals

Loss from dead animals for the year 2021 totaled 19.53 million Baht has decreased compared to the same period of the previous year of 23.25 million Baht, totaled 3.72 million Baht, or a decrease of 16% as a result of more sophisticated animal care measures result in reduction of the number of dead animals.

#### Depreciation

In 2021, the group of companies had depreciation of 49.60 million Baht has decreased when compared to the same period the previous year of 166.59 million Baht, totaled 116.59 million Baht or a decrease of 70.23% significantly due to the Company and its Subsidiaries depreciation classification during temporary close.

#### Selling and administrative expenses

Selling and administrative expenses for the year 2021 totaled 509.41 million Baht had increased when compared to the same period of the previous year of 396.17 million Baht, totaled 113.24 million Baht or an increase of 28.58% due to due to the Company and its Subsidiaries depreciation classification during temporary close to administrative expenses since most of the asset are direct cost to an operation revenue and during the temporary close the Company and its Subsidiaries have no revenue, therefore re-classified to administrative expenses.

#### Financial cost

Financial costs for the year 2021 totaled 375.14 million Baht, had increase when compared to the same period of the previous year of 213.53 million Baht, totaled 161.61 million Baht or an increase of 75.68% significantly due to an extend of debenture maturity date and suspend of principal payment of financial institutions loans. In addition, interest payments as costs in some of the Carnival Magic projects, which have temporarily suspended construction have not been booked.

## Net loss

In 2021, the group of companies has net loss of 922.23 million Baht, which has increased compared to the same period of the previous year which has net loss of 657.15 million Baht of 265.08 million Baht or increase 40.34%.

## **2. Report and analysis of financial positions**

Unit: Million Baht	31 Dec 21	31 Dec 20	change	%
Cash and cash equivalent	16.51	14.35	2.16	15.05
Trade and other current receivables	51.81	85.76	(33.95)	39.59
Inventories	33.98	40.13	(6.15)	15.33
Animals	437.42	488.03	(50.61)	10.37
Properties, plant, and equipment	8,049.09	8,187.07	(137.98)	1.69
Other assets	93.40	112.15	(18.75)	16.72
<b>Total assets</b>	<b>8,682.21</b>	<b>8,927.49</b>	<b>(245.28)</b>	<b>2.75</b>
Trade and other current payable	996.94	569.22	427.72	185.75
Interest bearing debt	5,004.43	4,782.50	221.93	4.64
Income tax payable	27.27	29.91	(2.64)	8.83
Other liabilities	225.95	243.49	(17.54)	7.20
<b>Total liabilities</b>	<b>6,254.59</b>	<b>5,625.12</b>	<b>629.47</b>	<b>11.19</b>
Retained earnings (loss)	(712.77)	157.86	(870.63)	551.52
Non-controlling interests	9.99	14.11	(4.12)	29.20
Other	3,130.40	3,130.40	-	-
<b>Total shareholders' equity</b>	<b>2,427.62</b>	<b>3,302.37</b>	<b>874.75</b>	<b>26.49</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,682.21</b>	<b>8,927.49</b>	<b>(245.28)</b>	<b>2.75</b>
Interest bearing debt to equity ratio	2.06	1.45		
Debt to equity ratio	2.58	1.70		

## Assets

As of 31 December 2021, the group of companies has total asset of 8,682.21 million Baht, had decreased 2.75% compared to the same period of the previous year significantly due to the decrease of trade and other current receivable amount of 33.95 million Baht from allowance for doubtful accounts longer than 365 days and the decrease of fixed asset amount of 188.59 million Baht from realizing of depreciation and fixed asset retirement as well as over 15 years asset impairment.

Incidentally, the current progression of Carnival Magic Project construction is 95%. Originally scheduled to open for service in May 2020, however, in April - May 2020, the subsidiary company had to temporarily suspend its construction in accordance with the order of the Governor of Phuket to stop the spread of COVID-19. Until presently, the tourism situation in Phuket and that of the country has slowly recovered. Therefore, force the subsidiary to postpone the date of opening until the situation is return to normal. However, when the Carnival Magic Project is able to open, it will

greatly expand the tourist base of the group of companies which subsequently will generate profits and cash flow back to the Company.

#### Liabilities

As of 31 December 2021, the Group had total liabilities of 6254.59 million Baht, an increase of 629.47% compared to the previous year. This was mainly due to an increase in interest-bearing liabilities of 221.93 million Baht, compared to the end of 2020, to support investment in Carnival Magic project and the trade and other payables increased by 427.72 million Baht.

An increase of Debt with interest bearing of 222.57 million Baht due to an increase of long-term loans from financial institutions for cash circulation.

For the debentures of the subsidiary due in 2022 totaling 2,358.70 million Baht, subsidiary is approved by the debenture holder's meeting 1/2021 on 4 February 2021 to extend a maturity period of secured debenture of 1,768.70 million Baht to 30 December 2022. For the remaining debenture of approximately 570 million Baht is in the process of obtaining the consent from the bondholders to extend the maturity period to 30 December 2022. For a debenture which had mature and cannot be paid 70 million Baht, subsidiaries and the debenture holder are on legal process and will negotiate on March 2022.

#### Shareholders' equity

As of 31 December 2021, the group of companies had shareholders' equity of 2,427.62 million Baht, a 26.49% decrease compared to the previous year significantly due to the decrease in retained earnings.

#### Liquidity and Capital Structure

As of 31 December 2021, the Company's liquidity ratio was 0.03, a decrease from 0.04 at the end of 2020, mainly due to a decrease in cash and cash equivalents. This was due to the decrease in operating income which resulted in a significant decrease in cash flow.

As of 31 December 2021, the Company's debt to equity ratio increased to 2.58 compared to 1.70 at the end of 2020, mainly due to an increase in liabilities and the decrease in equity resulting from net loss.

Please be informed accordingly.

Sincerely yours,  
- Apar Kewkacha-  
(Apar Kewkacha)  
President