



TRANSLATION

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

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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 summarized as follows:

1. The Consolidated Financial Statements

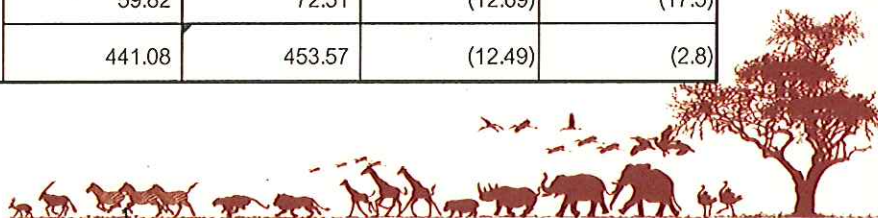
1.1 Report and analysis of Business Operations

Revenue

Revenue from operations

Revenue from operations for the Company and its subsidiaries for the second quarter of the year 2019 was totally Baht 441.08 million decreased from the second quarter of the year 2018 which was Baht 453.57 million for Baht 12.49 million or -2.8% due to other revenue from operations was decreased of Baht 12.69 million which was transportation services decreased of Baht 7.79 million as significant.

(million)	2019	2018	increase (decrease)	
			million	%
Sales of tickets	279.17	280.12	(0.95)	(0.3)
Sales of food and beverages	102.09	100.94	1.15	1.1
Other revenue from operations	59.82	72.51	(12.69)	(17.5)
Total revenues	441.08	453.57	(12.49)	(2.8)



#### **Other income**

Other income for the second quarter of the year 2019 of Baht 30.39 million increased from Baht 4.30 million for the second quarter of the year 2018 of Baht 26.09 million or 606.7% due to there were revenue from sales of newborn animals of Baht 10.75 million and income from an insurance claim of Baht 15.84 million as significant.

#### **Expenses**

##### **Cost of sales and services**

Cost of sales and services for the second quarter of the year 2019 of Baht 223.65 million increased from Baht 198.64 million for the second quarter of the year 2018 of Baht 25.01 million or 12.6% due to increase of employee benefit of Baht 31.20 million of employee in cost of sales as a result of the additional legal severance pay rate for employees followed the Labor Protection Act.

For the second quarter of the year 2019, gross profit was Baht 168.93 million decreased from Baht 200.64 million for the second quarter of the year 2018 of Baht 31.71 million or -15.8%. The gross profit margin of the second quarter of the year 2019 was 38.3% decreased from the second quarter of the year 2018 which was 44.2% as a result of the additional legal severance pay rate as mentioned above.

##### **Selling and administrative expenses**

Selling and administrative expenses of the second quarter of the year 2019 of Baht 152.47 million increased from Baht 130.05 million for the second quarter of the year 2018 of Baht 22.42 million or 17.2% due to increase of employee benefit of Baht 16.85 million as significant resulting from the additional legal severance pay rate for employees followed the Labor Protection Act.

##### **Finance costs**

Finance costs of the second quarter of the year 2019 of Baht 37.70 million increased from Baht 24.10 million for the second quarter of the year 2018 of Baht 13.60 million or 56.4% due to increase of long-term debentures for the construction in progress for Carnival Magic project.

### Summary operating results

The Company and its subsidiaries had net profit for the second quarter of the year 2019 of Baht 2.54 million decreased from Baht 38.95 million for the second quarter of the year 2018 of Baht 36.41 million or -93.5% due to revenue from operations was decreased while the overall expenses was increased from employee benefits.

(million)	2019	2018	increase (decrease)	
			million	%
Total revenues	441.08	453.57	(12.49)	(2.8)
Cost of sales and services	(223.65)	(198.64)	25.01	12.6
Loss on death of animals	(8.78)	(10.04)	(1.26)	(12.5)
Depreciation	(39.72)	(44.25)	(4.53)	(10.2)
<b>Gross profit</b>	<b>168.93</b>	<b>200.64</b>	<b>(31.71)</b>	<b>(15.8)</b>
Selling and administrative expenses	(152.47)	(130.05)	22.42	17.2
Other incomes	30.39	4.30	26.09	606.7
<b>Profit before interest and expense tax</b>	<b>46.85</b>	<b>74.89</b>	<b>(28.04)</b>	<b>(37.4)</b>
Finance costs	(37.70)	(24.10)	13.60	56.4
<b>Profit before expense tax</b>	<b>9.15</b>	<b>50.79</b>	<b>(41.64)</b>	<b>(82.0)</b>
Expense tax	(6.61)	(11.84)	(5.23)	(44.2)
<b>Net profit</b>	<b>2.54</b>	<b>38.95</b>	<b>(36.41)</b>	<b>(93.5)</b>
<b>Gross Profit Margin</b>	<b>38.3%</b>	<b>44.2%</b>		
<b>Earnings before interest and taxes</b>	<b>10.6%</b>	<b>16.5%</b>		
<b>Earnings before taxes</b>	<b>2.1%</b>	<b>11.2%</b>		
<b>Net Profit Margin</b>	<b>0.6%</b>	<b>8.6%</b>		

## 1.2 Report and analysis of financial positions

(million)	As at June 30, 2019	As at December 31, 2018	increase (decrease)	
			million	%
Total assets	8,009.71	7,061.88	947.83	13.4
Interest-bearing debts	4,250.78	3,403.17	847.61	24.9
Total Liabilities	4,832.10	3,921.17	910.93	23.2
Total shareholder's equity	3,177.61	3,140.71	36.90	1.2
Interest bearing debt to equity ratio	1.34	1.08		
Debt to equity ratio	1.52	1.25		

### Assets

As at June 30, 2019, the Company and its subsidiaries had total assets of Baht 8,009.71 million increased from Baht 7,061.88 million as of December 31, 2018 of Baht 947.83 million or 13.4% primarily from the additional purchase of property, plant and equipment of Baht 718.13 million mostly was the construction in progress for Carnival Magic project and cash and cash equivalents increased of Baht 226.62 million from the additional issuance of debentures of subsidiaries.

### Liabilities

As at June 30, 2019, the Company and its subsidiaries had total liabilities of Baht 4,832.10 million increased from Baht 3,921.17 million as of December 31, 2018 of Baht 910.93 million or 23.2% primarily from the increase in interest-bearing debts of Baht 847.61 million and non-current provisions for employee benefit of Baht 49.72 million followed the Labor Protection Act (No.7) B.E. 2562 to stipulate additional legal severance pay rate for employees who have worked for an uninterrupted period of twenty years or more, with such to receive not less than 400 days' compensation at the latest wage rate. Increase in liabilities resulting to the interest-bearing debts to equity ratio and debt to equity ratio was increased to 1.34 and 1.52, respectively.

### Shareholders' equity

As at June 30, 2019, the Company and its subsidiaries had total shareholders' equity of Baht 3,177.61 million increased from Baht 3,140.71 million as of December 31, 2018 of Baht 36.90 million or 1.2% from recognized net profit for the six-month of the year 2019.

## 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 second quarter of the year 2019 totally Baht 273.32 million increased from the second quarter of the year 2018 which was Baht 258.59 million for Baht 14.73 million or 5.7% due to revenue from sales of ticket and sales of food and beverages were increased of Baht 12.52 million and 7.49 million, respectively from increase in number of tourists and selling price while other revenue from operations decreased of Baht 5.28 million due to transportation services decreased of Baht 6.21 million as significant.

(million)	2019	2018	increase (decrease)	
			million	%
Sales of tickets	158.63	146.11	12.52	8.6
Sales of food and beverages	76.89	69.40	7.49	10.8
Other revenue from operations	37.80	43.08	(5.28)	(12.3)
Total revenues	273.32	258.59	14.73	5.7

##### Other income

Other income for the second quarter of the year 2019 of Baht 34.72 million increased from Baht 5.76 million for the second quarter of the year 2018 of Baht 28.96 million or 502.8% due to there were revenue from sales of newborn animals of Baht 10.75 million and income from an insurance claim of Baht 15.84 million as significant.

#### Expenses

##### Cost of sales and services

Cost of sales and services for the second quarter of the year 2019 of Baht 125.70 million increased from Baht 105.30 million for the second quarter of the year 2018 of Baht 20.40 million or 19.4% in line with the increase in revenues and increase of employee benefit of Baht 15.72 million of employee in cost of sales as a result of the additional legal severance pay rate for employees followed the Labor Protection Act.

For the second quarter of the year 2019, gross profit was Baht 114.98 million decreased from Baht 116.48 million for the second quarter of the year 2018 of Baht 1.50 million or -1.3% due to the higher rate of the increase in cost of sales and services than increase in revenue impacted to gross profit margin of the second quarter of the year 2019 to 42.1% decreased from 45% for the second quarter of the year 2018.

### Selling and administrative expenses

Selling and administrative expenses of the second quarter of the year 2019 of Baht 78.75 million increased from Baht 66.12 million for the second quarter of the year 2018 of Baht 12.63 million or 19.1% due to increase in employees and benefits of Baht 5.42 million and increase in entertainment of Baht 4.14 million as significant.

### Finance costs

Finance costs of the second quarter of the year 2019 of Baht 9.69 million decreased from Baht 10.98 million for the second quarter of the year 2018 of Baht 1.29 million or -11.7% in line with the decrease in interest-bearing debts.

### Summary operating results

The Company had net profit for the second quarter of the year 2019 of Baht 46.15 million increased from Baht 34.94 million for the second quarter of the year 2018 of Baht 11.21 million or 32.1% due to revenue from operations and other income were increased and the overall expenses were increased at the lower rate than the revenue growth.

(million)	2019	2018	increase (decrease)	
			million	%
Total revenues	273.32	258.59	14.73	5.7
Cost of sales and services	(125.70)	(105.30)	20.40	19.4
Loss on death of animals	(8.78)	(10.05)	(1.27)	(12.6)
Depreciation	(23.86)	(26.76)	(2.90)	(10.8)
Gross profit	114.98	116.48	(1.50)	(1.3)
Selling and administrative expenses	(78.75)	(66.12)	12.63	19.1
Other incomes	34.72	5.76	28.96	502.8
Profit before interest and expense tax	70.95	56.12	14.83	26.4
Finance costs	(9.69)	(10.98)	(1.29)	(11.7)
Profit before expense tax	61.26	45.14	16.12	35.7
Expense tax	(15.11)	(10.20)	(4.91)	(48.1)
Net profit	46.15	34.94	11.21	32.1
Gross Profit Margin	42.1%	45.0%		
Earnings before interest and taxes	26.0%	21.7%		
Earnings before taxes	22.4%	17.5%		
Net Profit Margin	16.9%	13.5%		

## 2.2 Report and analysis of financial positions

(million)	As at June 30, 2019	As at December 31, 2018	increase (decrease)	
			million	%
Total assets	3,870.92	3,867.05	3.87	0.1
Interest-bearing debts	521.09	628.78	(107.69)	(17.1)
Total Liabilities	765.65	840.94	(75.29)	(9.0)
Total shareholder's equity	3,105.27	3,026.11	79.16	2.6
Interest bearing debt to equity ratio	0.17	0.21		
Debt to equity ratio	0.25	0.28		

### Assets

As at June 30, 2019, the Company had total assets of Baht 3,870.92 million increased from Baht 3,867.05 million as of December 31, 2018 of Baht 3.87 million or 0.1%.

### Liabilities

As at June 30, 2019, the Company had total liabilities of Baht 765.65 million decreased from Baht 840.94 million as of December 31, 2018 of Baht 75.29 million or -9% primarily from the decrease in interest-bearing debts of Baht 107.69 million while there was the increase of income tax payable of Baht 4.91 million and increase in non-current provisions for employee benefits of Baht 26.64 million (As described in Section 1.2 Liabilities). Decrease in liabilities resulting to the interest-bearing debts to equity ratio and debt to equity ratio was decreased to 0.17 and 0.25, respectively.

### Shareholders' equity

As at June 30, 2019, the Company had total shareholders' equity of Baht 3,105.27 million increased from Baht 3,026.11 million as of December 31, 2018 of Baht 79.16 million or 2.6% from recognized net profit for six-month of the year 2019 as significant.

Please be informed accordingly.

Sincerely yours,

Apar Kewkacha

(Apar Kewkacha)

President