



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 third quarter of the year 2019 was totally Baht 466.40 million decreased from the third quarter of the year 2018 which was Baht 535.52 million for Baht 69.12 million or -12.9% due to decrease in number of tourists majority of the subsidiary resulting to revenue from sales of tickets decreased of Baht 38.73 million, revenue from sales of food and beverages decreased of Baht 8.27 million and other revenue from operations decreased of Baht 22.12 million consisted of revenue from transportation services decreased of Baht 9.50 million, revenue from sales of photograph decreased of Baht 4.65 million and revenue from sales of souvenirs decreased of Baht 3.66 million as significant.

(million)	2019	2018	Increase (decrease)	
			million	%
Sales of tickets	303.24	341.97	(38.73)	(11.3)
Sales of food and beverages	98.07	106.34	(8.27)	(7.8)
Other revenue from operations	65.09	87.21	(22.12)	(25.4)
Total revenues	466.40	535.52	(69.12)	(12.9)



#### **Other income**

Other income for the third quarter of the year 2019 of Baht 4.54 million decreased from Baht 5.29 million for the third quarter of the year 2018 of Baht 0.75 million or -14.2% due to reversal of doubtful accounts - net decreased of Baht 2.31 million.

#### **Expenses**

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

Cost of sales and services for the third quarter of the year 2019 of Baht 176.67 million decreased from Baht 218.86 million for the third quarter of the year 2018 of Baht 42.19 million or -19.3% due to the labor cost of Phuket FantaSea Public Company Limited decreased from Phuket FantaSea has sent some employees to for the construction of Carnival Magic project more than the third quarter of the year 2018 of Baht 25.31 million which has been recorded as construction in progress of Carnival Magic project in Property, plant and equipment – net and remaining decrease in cost of sales and services of Baht 16.88 million in line with the decrease in revenues such as cost of tickets, cost of food and beverages, cost of souvenirs and cost of transportation services etc.

For the third quarter of the year 2019, gross profit was Baht 243.88 million decreased from Baht 261.73 million for the third quarter of the year 2018 of Baht 17.85 million or -6.8% resulting from the decrease in revenue from operations. However, the gross profit margin of the third quarter of the year 2019 was 52.3% increased from the third quarter of the year 2018 which was 48.9% from the investment in work in progress of Carnival Magic project as mentioned above.

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

Selling and administrative expenses of the third quarter of the year 2019 of Baht 171.67 million increased from Baht 162.20 million for the third quarter of the year 2018 of Baht 9.47 million or 5.8% due to increase of employee benefit of Baht 7.49 million and increase of the financial advisor fees of baht 2.08 million

##### **Finance costs**

Finance costs of the third quarter of the year 2019 of Baht 38.87 million decreased from Baht 47.86 million for the third quarter of the year 2018 of Baht 8.99 million or -18.8% due to the decrease in interest from long-term loans of Phuket FantaSea Public Company Limited as significant.

### Summary operating results

The Company and its subsidiaries had net profit for the third quarter of the year 2019 of Baht 24.88 million decreased from Baht 39.60 million for the third quarter of the year 2018 of Baht 14.72 million or -37.2% due to revenue from operations was decreased as significant.

(million)	2019	2018	increase (decrease)	
			million	%
Total revenues	466.40	535.52	(69.12)	(12.9)
Cost of sales and services	(176.67)	(218.86)	(42.19)	(19.3)
Loss on death of animals	(6.13)	(12.26)	(6.13)	(50.0)
Depreciation	(39.72)	(42.67)	(2.95)	(6.9)
Gross profit	243.88	261.73	(17.85)	(6.8)
Selling and administrative expenses	(171.67)	(162.20)	9.47	5.8
Other incomes	4.54	5.29	(0.75)	(14.2)
Profit before interest and expense tax	76.75	104.82	(28.07)	(26.8)
Finance costs	(38.87)	(47.86)	(8.99)	(18.8)
Profit before expense tax	37.88	56.96	(19.08)	(33.5)
Expense tax	(13.00)	(17.36)	(4.36)	(25.1)
Net profit	24.88	39.60	(14.72)	(37.2)
Gross Profit Margin	52.3%	48.9%		
Earnings before interest and taxes	16.5%	19.6%		
Earnings before taxes	8.1%	10.6%		
Net Profit Margin	5.3%	7.4%		

## 1.2 Report and analysis of financial positions

(million)	As at September 30, 2019	As at December 31, 2018	increase (decrease)	
			million	%
Total assets	7,995.40	7,061.88	933.52	13.2
Interest-bearing debts	4,209.09	3,403.17	805.92	23.7
Total Liabilities	4,792.91	3,921.17	871.74	22.2
Total shareholder's equity	3,202.49	3,140.71	61.78	2.0
Interest bearing debt to equity ratio	1.31	1.08		
Debt to equity ratio	1.50	1.25		

### Assets

As at September 30, 2019, the Company and its subsidiaries had total assets of Baht 7,995.40 million increased from Baht 7,061.88 million as of December 31, 2018 of Baht 933.52 million or 13.2% primarily from the additional purchase of property, plant and equipment – net of Baht 1,086.94 million mostly was the construction in progress for Carnival Magic project while there was the decrease of cash and cash equivalents of Baht 112.92 million as significant.

### Liabilities

As at September 30, 2019, the Company and its subsidiaries had total liabilities of Baht 4,792.91 million increased from Baht 3,921.17 million as of December 31, 2018 of Baht 871.74 million or 22.2% primarily from the increase in interest-bearing debts of Baht 805.92 million and non-current provisions for employee benefit of Baht 55.84 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 were increased to 1.31 and 1.50, respectively.

### Shareholders' equity

As at September 30, 2019, the Company and its subsidiaries had total shareholders' equity of Baht 3,202.49 million increased from Baht 3,140.71 million as of December 31, 2018 of Baht 61.78 million or 2% from recognized net profit for the nine-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 third quarter of the year 2019 totally Baht 292.68 million decreased from the third quarter of the year 2018 which was Baht 299.92 million for Baht 7.24 million or -2.4% due to other revenue from operations decreased of Baht 8.63 million which were revenue from transportation services decreased of Baht 5.57 million and revenue from sales of souvenirs decreased of Baht 1.56 million as significant.

(million)	2019	2018	increase (decrease)	
			million	%
Sales of tickets	179.55	179.37	0.18	0.1
Sales of food and beverages	72.14	70.93	1.21	1.7
Other revenue from operations	40.99	49.62	(8.63)	(17.4)
Total revenues	292.68	299.92	(7.24)	(2.4)

##### Other income

Other income for the third quarter of the year 2019 of Baht 10.14 million increased from Baht 9.64 million for the third quarter of the year 2018 of Baht 0.50 million or 5.2% due to interest income from loans to related parties of Baht 1.61 million.

#### Expenses

##### Cost of sales and services

Cost of sales and services for the third quarter of the year 2019 of Baht 112.27 million decreased from Baht 118.01 million for the third quarter of the year 2018 of Baht 5.74 million or -4.9% in line with the decrease in revenues which were cost of transportation services decrease in Baht 4.73 million and cost of souvenirs decrease in Baht 0.76 million as significant.

For the third quarter of the year 2019, gross profit was Baht 150.07 million increased from Baht 146.44 million for the third quarter of the year 2018 of Baht 3.63 million or 2.5% due to the higher rate of the decrease in cost of sales and services than decrease in revenue and also gross profit margin of the third quarter of the year 2019 to 51.3% increased from 48.8% for the third quarter of the year 2018.

### Selling and administrative expenses

Selling and administrative expenses of the third quarter of the year 2019 of Baht 77.95 million increased from Baht 76.17 million for the third quarter of the year 2018 of Baht 1.78 million or 2.3% due to increase in the financial advisor fees of Baht 2.08 million as significant.

### Finance costs

Finance costs of the third quarter of the year 2019 of Baht 10.05 million decreased from Baht 12.80 million for the third quarter of the year 2018 of Baht 2.75 million or -21.5% in line with the decrease in interest-bearing debts.

### Summary operating results

The Company had net profit for the third quarter of the year 2019 of Baht 56.06 million increased from Baht 52.03 million for the third quarter of the year 2018 of Baht 4.03 million or 7.7% due to the decrease in cost of sales and services as significant.

(million)	2019	2018	increase (decrease)	
			million	%
Total revenues	292.68	299.92	(7.24)	(2.4)
Cost of sales and services	(112.27)	(118.01)	(5.74)	(4.9)
Loss on death of animals	(6.13)	(12.26)	(6.13)	(50.0)
Depreciation	(24.21)	(23.21)	1.00	4.3
Gross profit	150.07	146.44	3.63	2.5
Selling and administrative expenses	(77.95)	(76.17)	1.78	2.3
Other incomes	10.14	9.64	0.50	5.2
Profit before interest and expense tax	82.26	79.91	2.35	2.9
Finance costs	(10.05)	(12.80)	(2.75)	(21.5)
Profit before expense tax	72.21	67.11	5.10	7.6
Expense tax	(16.15)	(15.08)	(1.07)	(7.1)
Net profit	56.06	52.03	4.03	7.7
Gross Profit Margin	51.3%	48.8%		
Earnings before interest and taxes	28.1%	26.6%		
Earnings before taxes	24.7%	22.4%		
Net Profit Margin	19.2%	17.3%		

## 2.2 Report and analysis of financial positions

(million)	As at September 30, 2019	As at December 31, 2018	increase (decrease)	
			million	%
Total assets	3,897.02	3,867.05	29.97	0.8
Interest-bearing debts	500.92	628.78	(127.86)	(20.3)
Total Liabilities	735.69	840.94	(105.25)	(12.5)
Total shareholder's equity	3,161.33	3,026.11	135.22	4.5
Interest bearing debt to equity ratio	0.16	0.21		
Debt to equity ratio	0.23	0.28		

### Assets

As at September 30, 2019, the Company had total assets of Baht 3,897.02 million increased from Baht 3,867.05 million as of December 31, 2018 of Baht 29.97 million or 0.8% due to short-term loans to related parties increased of Baht 73.95 million while there was the decrease of cash and cash equivalents of Baht 37.84 million as significant.

### Liabilities

As at September 30, 2019, the Company had total liabilities of Baht 735.69 million decreased from Baht 840.94 million as of December 31, 2018 of Baht 105.25 million or -12.5% primarily from the decrease in interest-bearing debts of Baht 127.86 million while there was the increase of income tax payable of Baht 8.55 million and increase in non-current provisions for employee benefits of Baht 28.66 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 0.16 and 0.23, respectively.

### Shareholders' equity

As at September 30, 2019, the Company had total shareholders' equity of Baht 3,161.33 million increased from Baht 3,026.11 million as of December 31, 2018 of Baht 135.22 million or 4.5% from recognized net profit for nine-month of the year 2019 as significant.

Please be informed accordingly.

Sincerely yours,

Apar Kewkacha

( Apar Kewkacha )

President