



TRANSLATION

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

Ref. No. 108 /2020

AUGUST 14, 2020

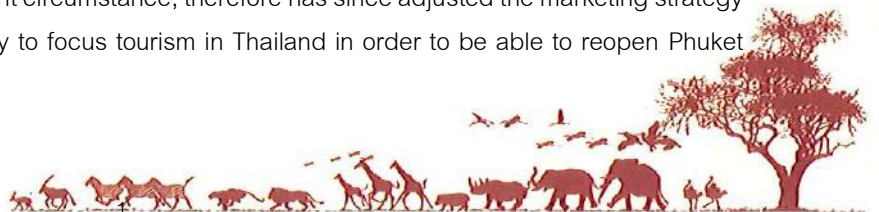
Re. : The explanation and analysis report of the financial positions and result of business operations differences more than 20% compare to the previous year.

To : Board of Governors and the President of The Stock Exchange of Thailand

Regarding the pandemic of Corona Virus (COVID-19), the number of an inbound international tourist which is the main customer of Safari World Group including Phuket Fantasea Public Company Limited (the "Subsidiary Company") has sharply decreased since February 2020. Safari World Group always realized its duty to the society and put the priority on the health and safety of the park visitor, therefore Safari World Group has temporary closed its parks to such duty and to the request of the government from 19 March 2020 in order to halt the widespread of the virus at those time.

At the later stage, Center for Corona Virus Pandemic Prevention Management of Thailand (Sor.Bor.Kor.) announced the phase 4 of lighten prevention measurement by allowing the place of high risk to resume its service from 15 June 2020. Safari World Group has assessed the situation thoroughly and continually during the temporary cease of operation and has already prepared the health and safety measurement strictly to the standard of the state. The group also seeks the assurance from the government agency and has already received the Amazing Thailand Safety & Healthy Administration (SHA) standard from the Tourism Authority of Thailand and the Health Ministry of Thailand for recreational and tourist spot. The group also supports the government policy by joining the campaign "We Travel Together" which aiming to promote the "New Normal" way of tourism for Thai and using the tourism to promote an economic of Thailand.

The group therefore reopens the Safari World Park from 3 July 2020 but unable to reopen the Phuket Fantasea since The International Civil Aviation Organization (ICAO) and The International Air Transport Association (IATA) have limited the international passenger flight from traveling from and to Thailand for epidemic prevention and if any flight is allowed to travel into Thailand, passengers must go into the 14 days state quarantine as the policy of the Sor.Bor.Kor., which directly affect the main customer group of Phuket Fantasea which approximately 90% are international tourist. Safari World Group has continually assessed such an ongoing situation and actively manage its resource to the unpredictability of the current circumstance, therefore has since adjusted the marketing strategy of the Company and the Subsidiary Company to focus tourism in Thailand in order to be able to reopen Phuket Fantasea on the third quarter this year.



Incidentally, the temporary close of the operation from 19 March 2020 results that the company has no operational profit for 3 months ending on 30 June 2020 but the company continue to has expenses which are fix cost which are animal feed, utilities for instance. Though, the company has managed its costs, internal resources, business operation and the cash flow to the maximized performance and sufficient for business continuity.

The Explanation and Analysis Report of the Financial Positions and Result of Business Operations for 3 months ending on 30 June 2020 audited by the CPA

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 2020 was totally Baht 3.09 million decreased from the second quarter of the year 2019 which was Baht 441.08 million for Baht 437.99 million or -99.30% resulted from decrease in number of tourists of the Company and its subsidiary and subsequently the temporary cease of operation from 19 March 2020 – 2 July 2020, therefore no operational profit for 3 months of the second quarter ending on 30 June 2020.

The revenue from operation of Baht 3.09 million is other revenue from operation and is mainly from sale support of business partners.

(million)	Quarter 2/2020	Quarter 2/2019	increase (decrease)	
			million	%
Sale of tickets	-	279.17	(279.17)	(100.00)
Sale of food and beverages	0.50	102.09	(101.59)	(99.51)
Other revenue from operations	2.59	59.82	(57.23)	(95.67)
Total revenues	3.09	441.08	(437.99)	(99.30)

Other income

Other income for the second quarter of the year 2020 of Baht 3.70 million decreased from Baht 30.38 million from the second quarter of the year 2019 of Baht 26.68 million or -87.82% is mainly from animal sale and insurance compensation.

Expenses

Cost of sales and services

Cost of sales and services for the second quarter of the year 2020 of Baht 46.33 million decreased from Baht 225.02 million from the second quarter of the year 2019 of Baht 178.69 million or -79.41% due to decrease in cost variable to income such as food and beverage cost and salary, is significant. However, some expenses which are fixed cost still exist and not variable to the income such as animal feed, utilities, water-electricity bill. Therefore, the company has managed to reduce some unnecessary expenses during the temporary close of operation and continually to evaluate each month situation. Investment plans according to the 2020 budget are also postponed in order to maintain the solvency of the cash flow.

Loss on death of animal for the second quarter of the year 2020 of Baht 5.25 million decreased from Baht 8.79 million from the second quarter of the year 2019 of Baht 3.54 million or 40.27%. The decrease from Q1/2020 is originated from the natural death of animals.

For the second quarter of the year 2020, the temporary close of operation has caused no operational profit but the fixed cost, gross loss was Baht 90.36 million decreased from Baht 167.55 million from the second quarter of the year 2019 resulted to gross profit (loss) margin of the second quarter of the year 2020 was at -2924.27% decreased from the second quarter of the year 2019 which was -37.99%.

Selling and administrative expenses

Selling and administrative expenses of the second quarter of the year 2020 of Baht 66.82 million decreased from Baht 151.10 million from the second quarter of the year 2019 of Baht 84.28 million or -55.78% from lower salary and employee benefits.

Finance costs

Finance costs of the second quarter of the year 2020 of Baht 60.85 million increased from Baht 37.70 million from the second quarter of the year 2019 of Baht 23.15 million or 61.41% from the issuance of short-term and long-term debentures.

Summary operating results

The Company and its subsidiaries had loss profit for the second quarter of the year 2020 of Baht 214.92 million decreased from Baht 2.54 million from the second quarter of the year 2019 of Baht 217.46 million or -8,561.42% due to revenue from operations was decreased while the overall expenses was increased at the higher rate than the revenue growth.

(million)	Quarter 2/2020	Quarter 2/2019	increase (decrease)	
			million	%
Total revenues	3.09	441.08	(437.99)	(99.30)
Cost of sales and services	(46.33)	(225.02)	178.69	(79.41)
Loss on death of animals	(5.25)	(8.79)	3.54	(40.27)
Depreciation	(41.87)	(39.72)	(2.15)	5.41
Gross profit	(90.36)	167.55	(257.91)	(153.93)
Selling and administrative expenses	(66.82)	(151.10)	84.28	(55.78)
Other incomes	3.70	30.38	(26.68)	(87.82)
Profit before interest and expense tax	(153.48)	46.83	(200.31)	(427.74)
Finance costs	(60.85)	(37.70)	(23.15)	61.41
Profit before expense tax	(214.33)	9.13	(223.46)	(2,447.54)
Expense tax	(0.59)	(6.61)	6.02	(91.07)
Net profit (loss)	(214.92)	2.52	(217.44)	(8,628.57)
Gross Profit Margin	-2,924.27%	37.99%		
Earnings before interest and taxes	-4,966.99%	10.62%		
Earnings before taxes	-6,936.25%	2.07%		
Net Profit Margin	-6,955.34%	0.57%		

1.2 Report and analysis of financial positions

(million)	As at June 30,2020	As at December 31,2019	increase (decrease)	
			million	%
Total assets	8,905.86	8,553.07	352.79	4.12
Interest-bearing debts	4,728.67	4,069.69	658.98	16.19
Total Liabilities	5,344.09	4,593.56	750.53	16.34
Total shareholder's equity	3,561.77	3,959.51	(397.74)	(10.05)
Interest bearing debt to equity ratio	1.33	1.03		
Debt to equity ratio	1.50	1.16		

Assets

As of June 30, 2020, the Company and its subsidiaries had total assets of Baht 8,905.86. million increased from Baht 8,553.07 million as of December 31, 2019 of Baht 352.79 million or 4.12% primarily of the significant changes are from the additional purchase of property, plant and equipment of Baht 478.66 million mostly was the

construction in progress for Carnival Magic project, animals and plants of Baht 43.02 million much of the purchase of animals. Cash and cash equivalents decreased of Baht 145.59 million. Advances for purchase of assets and animals net decreased of Baht 63.57 million. Trade and other current receivables decreased of Baht 17.50 million.

Liabilities

As of June 30, 2020, the Company and its subsidiaries had total liabilities of Baht 5,344.09 million increased from Baht 4,593.56 million as of December 31, 2019 of Baht 750.53 million or 16.34% primarily from the increase in interest-bearing debts of Baht 658.98 million resulting to the interest-bearing debts to equity ratio and debt to equity ratio was increased to 1.33 and 1.50 respectively.

Shareholders' equity

As of June 30, 2020, the Company and its subsidiaries had total shareholders' equity of Baht 3,561.77 million decreased from Baht 3,959.51 million as of December 31, 2019 of Baht 397.74 million or -10.05% from recognized loss profit of the first quarter of the year 2020. The Company and subsidiaries decreasing in ordinary shares of non-controlling interests of Baht 0.81 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 second quarter of the year 2020 totally Baht 2.50 million decreased from Baht 273.32 million from the second quarter of the year 2019 of Baht 270.82 million or -99.09% due to revenue from sales of ticket and sales of food and beverages were decreased of Baht 158.63 million and Baht 76.39 million, respectively which revenue decreased from service shutdown due to the epidemic situation of the Coronavirus 2019 (COVID-19).

The revenue from operation of Baht 0.50 million is other revenue from operation and mainly from sale support of business partners.

(million)	Quarter 2/2020	Quarter 2/2019	increase (decrease)	
			million	%
Sale of tickets	-	158.63	(158.63)	(100.00)
Sale of food and beverages	0.50	76.89	(76.39)	(99.35)
Other revenue from operations	2.00	37.80	(35.80)	(94.71)
Total revenues	2.50	273.32	(270.82)	(99.09)

Other income

Other income for the second quarter of the year 2020 of Baht 16.99 million decreased from Baht 34.72 million from the second quarter of the year 2019 of Baht 17.73 million or 51.07 % due to in Q2/2019 there was an income from insurance compensation of Baht 15.84 million is significant and in Q2/2020 has no such similar income. Also the income from selling of newborn animal has decreased of Baht 9.60 million and receivable interest has increased of Baht 10.899 million.

Expenses

Cost of sales and services

Cost of sales and services for the second quarter of the year 2020 of Baht 40.85 million decreased from Baht 127.07 million from the second quarter of the year 2019 of Baht 86.22 million or -67.85% in line with the decrease in revenues due to decrease in cost variable to income such as food and beverage cost and salary, is significant. However, some expenses which are fixed cost still exist and not variable to the income such as animal feed, utilities, water-electricity bill. Therefore, the company has managed to reduce some unnecessary expenses during the temporary close of operation and continually to evaluate each month situation. Investment plans according to the 2020 budget are also postponed in order to maintain the solvency of the cash flow.

Loss on death of animal for the second quarter of the year 2020 of Baht 5.25 million decreased from Baht 8.79 million from the second quarter of the year 2019 of Baht 3.54 million or -40.27% originated from the natural death of animals.

For the second quarter of the year 2020, loss profit was Baht 68.62 million decreased from Baht 113.60 million from the second quarter of the year 2019 of Baht 182.22 million or -160.40% resulted to gross profit (loss) margin of the second quarter of the year 2020 was at -2744.80% decreased from the second quarter of the year 2019 which was -41.56%.

Selling and administrative expenses

Selling and administrative expenses of the second quarter of the year 2020 of Baht 19.15 million decreased from Baht 77.38 million from the second quarter of the year 2019 of Baht 58.23 million or-75.25% from lower salary and employee benefits.

Finance costs

Finance costs of the second quarter of the year 2020 of Baht 24.86 million increased from Baht 9.68 million for the second quarter of the year 2019 of Baht 15.18 million or 156.82% in line with the increase in interest-bearing debts.

Summary operating results

The Company had loss profit of the second quarter of the year 2020 of Baht 94.92 million decreased from Baht 46.15 million for the second quarter of the year 2019 of Baht 141.07 million or -305.68% due to decreased operating income.

(million)	Quarter 2/2020	Quarter 2/2019	increase (decrease)	
			million	%
Total revenues	2.50	273.32	(270.82)	(99.09)
Cost of sales and services	(40.85)	(127.07)	86.22	(67.85)
Loss on death of animals	(5.25)	(8.79)	3.54	(40.27)
Depreciation	(25.02)	(23.86)	(1.16)	4.86
Gross profit	(68.62)	113.60	(182.22)	(160.40)
Selling and administrative expenses	(19.15)	(77.38)	58.23	(75.25)
Other incomes	16.99	34.72	(17.73)	(51.07)
Profit before interest and expense tax	(70.78)	70.94	(141.72)	(199.77)
Finance costs	(24.86)	(9.68)	(15.18)	156.82
Profit before expense tax	(95.64)	61.26	(156.90)	(256.12)
Expense tax	0.72	(15.11)	15.83	(104.77)
Net profit (loss)	(94.92)	46.15	(141.07)	(305.68)
Gross Profit Margin	-2,744.80%	41.56%		
Earnings before interest and taxes	-2,831.20%	25.95%		
Earnings before taxes	-3,825.60%	22.41%		
Net Profit Margin	-3,796.80%	16.88%		

2.2 Report and analysis of financial positions

(million)	As at June 30,2020	As at December 31,2019	increase (decrease)	
			million	%
Total assets	5,685.19	4,639.39	1,045.80	22.54
Interest-bearing debts	1,607.26	420.96	1,186.30	281.81
Total Liabilities	1,858.12	662.68	1,195.44	180.39
Total shareholder's equity	3,827.07	3,976.71	(149.64)	(3.76)
Interest bearing debt to equity ratio	0.42	0.11		
Debt to equity ratio	0.49	0.17		

Assets

As of June 30, 2020, the Company had total assets of Baht 5,685.19 million increased from Baht 4,639.39 million as of December 31, 2019 of Baht 1,045.80 million or 22.54% primarily of the significant are from long-term loans to related parties increased of Baht 1,010.31 million animals and plants increased of Baht 40.57 million much of the purchase of animals, Trade and other current receivables decreased of Baht 9.38 million. Cash and cash equivalents decreased of Baht 9.64 million is significant

Liabilities

As of June 30, 2020, the Company had total liabilities of Baht 1,858.12 million increased from Baht 662.68 million as of December 31, 2019 of Baht 1,195.44. million or 180.39% primarily from the increase in interest-bearing debts of Baht 281.31 million and trade and other current payables increased of Baht 2.71 million resulting to the decrease in interest –bearing debts to equity ratio and debt to equity ratio for 0.42 and 0.49, respectively.

Shareholders' equity

As of June 30, 2020, the Company had total shareholders' equity of Baht 3,827.07 million decreased from Baht 3,976.71 million as of December 31, 2019 of Baht 149.64 million or 3.76% due to net loss.

Please be informed accordingly.

Sincerely yours,

- Signature -

(Apar Kewkacha)

President