



Safari World Public Co., Ltd.  
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No. 084/2560

17 August 2017

Subject: Invitation to join Extraordinary Shareholders Meeting No. 1/2017

To: Shareholders

- Enclosures:
1. Copy of Ordinary Annual Shareholders Meeting of 2017 held on 24 April 2017.
  2. Technological Information Shows Acquisition of Asset Investments in Carnival Magic Project of the Subsidiary
  3. Report on the opinion of the Independent Financial Advisor
  4. Company Articles of Association regarding Meeting
  5. Documents or evidences showing shareholders or shareholder's proxies entitled to attend the Shareholders Meeting.  
Registration and Voting Methods in Shareholders Meeting
  6. Registration Form (Pleas bring on the day of Meeting)
  7. Proxy Form B.
  8. Map Showing Meeting Place

Whereas the Board of Directors of Safari World Public Co., Ltd. ("the Company") has Resolved to convene the Extraordinary Shareholders Meeting No. 1/2017 to be held on 8 September 2017 at 9.00 a.m. at the River Safari Restaurant, located at No. 99 Panyaindra Road, Samwatawantok Sub-district, Klongsamwa District, Bangkok Metropolis 10510, to consider various matters according to the following Agenda:

**Agenda 1. Consideration to adopt the Minutes of Ordinary Annual Shareholders Meeting 2017**

The Company has provided the Minutes of Ordinary Annual Shareholders Meeting of the Year 2017, held on 24 April 2017, and sent a copy of thereof to the Stock Exchange of Thailand (SET) and the Ministry of Commerce within the period specified by law and posted on the Company's Website as well as attached a copy to this Notice of Meeting (Enclosure: 1)

Board's Opinion:

The Extraordinary Shareholders Meeting should approve the aforesaid Minutes of Meeting.

Resolution:

The resolution for this Agenda requires approval by a majority of votes of the Shareholders who joined the Meeting and entitled to vote.



## **Agenda 2 Consideration to Approve the Ratification on the Investment of Carnival Magic Project of the Subsidiary.**

According to the Board of Directors Meeting No. 7/2014, held on 30 July 2014, duly Resolved and approved Phuket Fantasea Public Co., Ltd. ("Phuket Fantasea") a Subsidiary of the company, holding 99.92 percent of the Registered Capital to incorporate Carnival Magic Co., Ltd. ("Carnival Magic ") in order to create and operate the new theme park project ("Carnival Magic Project") in Phuket Province, with initial registered capital of 1 million baht; and subsequently on 16 February 2015, the Extraordinary Shareholders Meeting No. 1/2015 has Resolved and approved the Company to increase the registered capital in the amount of 666.65 million Baht in order to take an amount of 516 million Baht to increase the investment in Phuket Fantasea for Phuket Fantasea to expand the business in Carnival Magic Project with a capital increase of 406 million Baht and another 110 million Baht to buy a 12 Rai plot of land with the employee accommodation facility of Phuket Fantasea. On 23 March 2015, Carnival Magic has increased its registered capital from the existing 1 million Baht to 500 million Baht consisting of 50 million ordinary shares with a par value of 10 Baht. Phuket Fantasea holds 99.0 percent shares in Carnival Magic's registered capital, fully paid.

Subsequently on 27 May 2015, the Board of Directors Meeting No. 5/2015 has Resolved to acknowledge the progress of Carnival Magic Project with an investment size of 1,450 million Baht (exclusive of land value) calculation based on the asset acquisition criteria; it is equal to 36.50% of total assets of the Company and Subsidiary as at 31 March 2015 and considered as the Acquisition of Assets Class 2, which is more than 15% but less than 50%. The Company has disclosed the information of asset acquisition in accordance with the Notification of Capital Market Supervisory Board and relevant Notification of the Stock Exchange of Thailand (SET) and has duly sent the information to the shareholders within 21 days from the disclosure date to SET.

On 20 October 2015, the Company's Extraordinary Shareholders Meeting No. 2/2015 has approved the Company to increase the registered capital again in the amount of 555.28 million Baht in order to take an amount of 471.20 million Baht to increase the investment in Phuket Fantasea for purpose of purchasing an approximate 33 Rai plot of land to build Carnival Magic Project worth 205 million Baht, build new accommodation facility for the Carnival Magic's staff of 170 million Baht and to improve the activities of Phuket Fantasea 96.10 million Baht; of which Phuket Fantasea has duly used the money received from the capital increase for the said purposes.

Due to Phuket Fantasea has purchased the said approximate 33 Rai of land, there is no need to rent a plot of land from a third party to build the Carnival Magic Project. Therefore, the land development for the Project can be carried on freely. After the management of Carnival Magic has improved the Project's format to become suitable and perfect, they have expanded the area of the Project from the existing 63 Rai to approximately 82 Rai and enlarged with building for shows and restaurants, which is the main building of the Project to become larger than before and be able to accommodate more tourists for all seasons. The increase in number and expansion of buildings and activities in the Project in line with the larger size of the area and the growing tourism industry plus the development in public utilities to be up-to-date and able to accommodate more tourist efficiently, enhance and add more details of the interior decorations of the building and the surrounding area of the Project to become greater and more magnificent which is the unique identity of the Project. Furthermore, the development of the styles and the techniques of displaying spectacular lights give a great splendor sensational leadership in tourism industry and as Thailand's number One theme park and the only one in the world. Therefore, it has been concluded that the investment budget will increase from 1,450 million Baht (exclusive of land value) to 3,570 million Baht including the land purchased by Phuket Fantasea in March 2015 to run Carnival Magic Project, total area 33-3-92.4 Rai, value 205 million Baht, land plot of 12 Rai with Phuket Fantasea's staff accommodation of 110 million Baht and the building construction for staff accommodation on the land worth 170 million Baht.

The Board of Directors Meeting of Carnival Magic No. 6/2017 and Board of Directors Meeting of Phuket Fantasea No. 7/2017, held on 30 June 2017; had considered the appropriateness of such transactions based on the study of marketing and investment information of competing businesses in Phuket Province and neighboring provinces both directly and indirectly, the current and future competitions in the tourism business including financial status of the Group. We have the opinion that the expansion of Carnival Magic Project's investment to increase from 1,450 million Baht to 3,570 million Baht is deemed appropriate and will greatly benefit the Group. It will also strengthen the Group's competitiveness, in the tourism industry's intensifying competitions, to become a leader in the tourism industry in Phuket Province and Thailand and will generate the highest sustainable revenue for the Group in the future. The details of the investment in Carnival Magic Project are shown in the asset acquisition information in the Carnival Magic Project of the Subsidiary duly attached to this Notice of Meeting (Enclosures: 2)

The Board of Directors Meeting No. 8/2017 held on 30 June 2017 passed a resolution approving Carnival Magic to expand its investment in the Carnival Magic Project to increase from the existing 1,450 million Baht to 3,570 million Baht. The Board of Directors' opinion shall be proposed to the Shareholders' Meeting for ratification on the transaction. Since the investment in Carnival Magic Project is considered acquisition of assets according to the Notification of Capital Market Supervisory Board No. Tor.Jor. 20/2551, Re: Criteria for Significant Transaction Entering into Acquisition or Disposal of Assets (including the amended notifications) and the Notification of the Board of Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets, 2004, (including the amended Notifications). After calculated the transaction size based on the asset acquisition criteria of 103.34 percent of the total assets of the Company and Subsidiary as at 31 March 2015 (total assets of the Company and Subsidiary as at 31 March 2015 amounted to 3,972.15 million Baht after deducted the capital increase of 1/2015 specifically on the part invested in Phuket Fantasea in the amount of 516.80 million Baht consisting of purchase of land of 12 Rai with staff accommodation facility of Phuket Fantasea, amount 110 million Baht and investment in Carnival Magic Project in the amount of 406 million Baht, since the present amount is included in the investment value of Carnival Magic Project). This is deemed as acquisition of Assets Type 4 or indirect listing with the SET(Backdoor Listing) i.e. the size of the transaction is equal to 100 percent or higher and the Company is required to prepare information report on the Acquisition of Assets disclosure to the SET and hold an Extraordinary Shareholders Meeting to consider the ratification of such transaction. The votes obtained in the Meeting must not less than three-fourth of the total votes of Shareholders attended the Meeting and entitled to vote. This will include an Independent Financial Advisor (IFA) to comment on acquisition of assets. Regarding this matter, the Company has appointed Silom Advisory Company Limited to be the Independent Financial Advisor (IFA) to comment on the transaction.

Regarding the Backdoor Listing, the Company is qualified and eligible to be exempted from applying for a license to register the Company's securities listing with SET (Relisting) due to the acquisition of the assets of Carnival Magic Project is pursuant to Clause 24 of the Conditions specified in the Notification Concerning Acquisition or Disposal of Assets on all the following clauses:

- 1) The acquired business is similar or complementary to the Company's business.

Carnival Magic Project is a tourist site and recreation theme park whose business nature is the same as the business of the Group, thus enhancing its core businesses to become stronger.

- 2) The Company has no policy to change its core business

The Company and Phuket Fantasea have no policy to change the nature of the business. The Group will continue to operate its tourism and recreation businesses along with the launching of Carnival Magic Project.

- 3) The Group, as a result of the acquisition of the Carnival Magic Project, is qualified to be registered and listed with SET.

The transaction is considered an acquisition of assets in the tourism business of the Group to add one more business site which will benefit the Company in terms of generating revenue and profit in the future. After considering the qualifications and appropriateness of the Group after the transaction, it is deemed that the Group is fully qualified and appropriately meet the SET requirements.

- 4) There is no significant change in the Company's Board of Directors neither in the controlling power of the Company nor the controlling Shareholders of the Company

After the acquisition of the Carnival Magic Project's, the Company and Phuket Fantasea did not change their shareholding structures or change the Board of Directors of the Company and Subsidiary. The Company continues to operate under the existing Board of Directors and the same group of Executives.

The Board's Opinion:

The transaction on acquisition of assets for investment in Carnival Magic Project of the Subsidiary in addition to the existing amount of 1,450 million Baht to 3,570 million Baht this time. It is a great opportunity to expand the Group's business and able to create a great Theme Park Project and maximize benefits to the Group and Shareholders and within the reasonable conditions to strengthen the competitive edge of the tourism industry as well as to become leader in the Phuket tourism industry in Phuket and in Thailand including the Neighboring countries. This in turn will bring more revenues and profits to the Group in the future. Therefore, the Board of Directors deems that the resolution of Extraordinary Shareholders Meeting No. 1/2016 should approve the ratification of the investment in Carnival Magic Project of the Subsidiary, with investment budget (including land used for the Project) approximately 3,570 million Baht as proposed.

Conclusion of the Opinion of Independent Financial Advisor:

The Board of Directors Meeting No. 8/2016, held on 30 June 2017, has resolved to appoint Silom Advisory Co., Ltd. as its Independent Financial Advisor ("Consultant") to prepare a Report on expressing opinion about the investment in Carnival Magic Project of the Subsidiary. Whereby the Consultant has expressed an opinion on the transaction; concluded that:

This investment in Carnival Magic Project will increase the revenue channel for the Company and diversify the business investment risks. Based on the application of experiences and the readiness of the current personnel and tools for the business operations, it is expected that there is a good overview of the Company's progress and successful operations. However, the disadvantages of entering the transaction may include, for example, the scramble for market shares (Cannibalization) including the investment risks, such as delays in construction, the decreasing number of tourists and conditions in the Loan Agreement to engage in this transaction.

**After Considering the advantages-disadvantages and risks including the impact and damage in case of the Shareholders of Company's resolution did not ratify the acquisition of such assets, the Consultant Concluded that the transaction is reasonable.**

Regarding the appropriateness of the investment in the Project, Consultant assessed the return of the investment by consider 1) Net Present Value: NPV for the Project and Shareholders 2) the Project's Internal Rate of Return (Project IRR) and Shareholders (Equity IRR). The conclusion is as follows:

<b>Evaluation of Investment Return</b>	<b>Project</b>	<b>Shareholders (Equity)</b>
Net Present Value of Cash Flow (NPV)	831.66 million Baht	481.83 million Baht
Internal Rate of Return (IRR)	10.43 %	13.30 %

From the above table, the Conclusion is that Carnival Magic Project has an NPV of 831.66 million Baht and an IRR of 10.43 percent per year which is higher than the Project's Weighted Average Cost of Capital (WACC) equal to 7.83 percent per year, thus it has the appropriateness for entering this investment. Furthermore, upon considering the expected return from the Project, found out the Equity NPV to be 481.83 million Baht, the EIRR is 13.30 per year which is higher than the average cost of shareholders (Ke) of 12.50 per year. Therefore, The investment in Carnival Magic Project this time, the Consultant has concluded that it is **reasonable in term of return on investment**. In Conclusion, the Consultant has the opinion that the Shareholders **should ratify** in the transaction on acquisition of the assets.

However, in making their decisions, the shareholders should consider the appropriateness of the transaction and the IFA's opinion which is based on the information given by the Company as well as interviews with the Company's management and other relevant parties. The IFA assumes that all information received is truthful and correct. The shareholders should also take into account the terms and conditions of the transaction. The IFA deemed the assumption employed in considering the transaction appropriate. Nevertheless, such assumption is based upon current economic conditions and available information only. Significant changes in the future may affect the opinion of the IFA. However, the decision to cast a vote approving the entering into transaction shall be subjected to the shareholders' discretion.

Detailed information appears in Independent Financial Advisor's Report on the Acquisition of Assets attached to the Notice of the Meeting (Enclosures: 3)

#### Resolution

The resolution of the Agenda must be approved by not less than three-fourth of the total number of votes by the Shareholders who attend the meeting and entitled to vote.

### **Agenda 3 Consider to ratify the Annual Bonus Payment for the Year 2016 to the Board of Directors and Executive Directors**

Due to the performances of the Company and the Subsidiary for the year ended 31 December 2016 has earned profit, therefore, the Board of Directors of the Company and Subsidiary have consider approved the distribution of Annual Bonuss of 2016 to the Board of Directors and the Executive Director of the Subsidiary according to the criteria of consideration to pay Annual Bonuss specified in the Articles of Association of the Company and the Subsidiary. Details are as follows:

#### A. Annual Board Awards

In the Articles of Association of the Company and Subsidiary, Chapter 4, the Board of Directors has prescribed that "...the Company's Directors are entitled to receive compensations such as meeting allowances, allowances, transportation fees and gratuities etc. and the Board of Directors shall be entitled to receive Annual Bonus in the maximum sum of not exceed three (3) percent of the net profit."

#### B. Annual Bonus for Executive Directors

There is a hiring agreement with Senior Executives that had been prescribed in the past. Formerly stated in the Articles of Association of the Company and Subsidiary, but later amendments were made to the matter in order to clearly separate the rights to receive the Annual Bonus between Directors and Senior Executive. Therefore, only the Annual Bonus of Board of Directors is stipulated in the Company's Articles of Association. As for the Annual Bonus Criteria for the Executive Directors of the Company and Subsidiary; the Board of Directors Meeting No. 2/2010, held on 25 February 2010, and No. 9/2010, held on 29 September 2010 and the Subsidiary Board of Directors Meeting No. 3/2010, held on 24 March 2010; have Resolved and approved that "If the Company has earned profit, the Senior Executives are entitled to receive Annual Bonus in the maximum sum of not exceed 15 percent of pre-tax profit".

The Company recorded the compensation in term of Annual Bonus for the Board of Directors of the Company and Subsidiary of 4.05 million Baht and the Annual Bonus of Executive Directors of the Subsidiary of 22.37 million Baht, totaling 26.42 million Baht in the Financial Statements for the Year ended 31 December 2016, approved by the Ordinary Annual Shareholders Meeting of 2017, held on 24 April 2017. However there is no proposal to consider approve the payment of Annual Bonus of 2016 to the Board of Directors and Executive Directors at the Ordinary Annual Shareholders Meeting 2016; details are as follows:

Type of compensation	Amount of Compensation		Consideration Criteria
	Year 2016		
	Company	Subsidiary	
Annual Bonus for Board of Directors	0.97 million Baht	3.08 million Baht	Not exceed 3% of net profit of 2016 allotted based on the position of each Director consisting of 12 Company Directors and 13 Subsidiary Directors
Annual Bonus for Executive Directors	Nil <sup>(1)</sup>	22.37 million Baht	Not exceed 15% of pre-tax profit of 2016 allotted based on management characteristic of two Top Executive Directors of the Subsidiary, namely, Chairman of the Executive Board and the President.
Total Compensation	0.97 million Baht	25.45 million Baht	

Remark : <sup>(1)</sup> Total sale of the Company did not meet the specified target, thus the Company did not pay bonus to the employees and the Board of Directors proposed to consider waive the Executive Directors' Annual Bonus of 2016.

#### Board's Opinion:

Extraordinary Shareholders Meeting should approve the ratification of the Annual Bonus 2016 to be paid to the Board of Directors of the Company and the Executive Directors of the Subsidiary as described above.

Resolution:

The Resolution for this Agenda must be approved by not less than two-third of the total number of votes of Shareholders attending the meeting and entitled to vote. The Directors who are the Shareholders of the Company and those sharing interests shall abstain from voting on this Agenda.

**Agenda 4. Consider approving criteria of Annual Bonus 2017 to the Board of Directors and Executive Directors**

The Company's Articles of Association, Chapter 4, the Board of Directors stipulated that "... the Company's Directors are entitled to receive compensation such as meeting allowances, allowances transportation fees and gratuities etc. and the Board of Directors shall be entitled to receive Annual Bonus in the total amount not exceed three percent of the Net Profit" and the Public Limited Company Act, B.E.2535 (1992), Section 90, prescribed that "The Company shall not pay any money or other property to Directors except for compensation according to the Company's Articles of Association .

In case the Company did not stipulate in its Articles of Association, the compensation payment under Clause One shall be in accordance with the Resolution of Shareholders' Meeting which shall contain not less than two-third, of the total number of votes of the Shareholders attending the meeting"

During the Ordinary Annual Shareholders Meeting of 2017, held on 24 April 2017, the Board of Directors has proposed to the Meeting to consider the compensation for Directors for the year 2017 only for the meeting allowances of Directors and Audit Committee at the same rate as previously approved in the Ordinary Annual Shareholders Meeting of 2016, but did not propose to consider the Annual Bonus payment for 2017 to the Board of Directors and Executive Directors according to the prescribed criteria in the Articles of Association of the Company and the Subsidiary as mentioned in Agenda 3. Therefore, for the accuracy and completeness of the approval process, the Board of Directors has proposed that the Extraordinary Shareholders Meeting No. 1/2017 shall determine the criteria for Annual Bonus to the Board of Directors and Executive Directors.

Board's Opinion:

It is deemed appropriate to propose the Extraordinary Shareholders Meeting No. 1/2560, to consider approving the criteria for Annual Bonus payment for the year 2017, including the future only in the year that the Company and its Subsidiary has earned profits, to the Board of Directors and Executive Directors of Company and Subsidiary according to the criteria stipulated in the Articles of Association and the Resolution of the Board of Directors Meeting of both Companies; namely, should approve the ratification of the Annual Bonus 2016 to the Board of Directors of Company and the Executive Directors of the Subsidiary as follows:

A. Annual Bonus of Board of Directors : If the Company and / or Subsidiary has earned profit (according to the specific business Financial Statements) the Directors shall be entitled to receive Annual Bonus in the maximum sum of not exceeds 3% of net profit. The Board of Directors shall allocate the amount of bonus to each Director as appropriate to the position and office terms.

B. Annual Bonus of Executive Directors: If the Company and/or Subsidiary has earned profit (according to the specific business Financial Statements) the Executive Directors; namely, the Chief Executive Officer and the President shall be entitled to receive Annual Bonus in the maximum sum of not exceeds 15% of pre-tax profit. The Board of Directors shall allocate the amount of bonus to each Executive Director as appropriate to the duties and responsibilities of such Executive Officer.

However, if the Company has earned profit and shall pay the Annual Bonus to the Directors according to the aforesaid criteria, the Board of Directors shall propose to the Shareholders Meeting to approve the amount of money to be used to pay the Annual Bonus prior to each payment.

Resolution :

The Resolution for this Agenda must be approved by not less than two-third of the total number of votes of Shareholders attending the meeting and entitled to vote. The Directors who are the Shareholders of the Company and those sharing interests shall abstain from voting on this Agenda.

**Agenda 5 Other Matters (if any)**

**Remark:** In proposing other items in addition to the Agenda shown in the Notice of Meeting there must be no less than one third of the votes, of total numbers of shares sold, for the Shareholders Meeting to consider the matter.

The Board of Directors has set the date to specify the Shareholders List to attend the Shareholders Meeting on 31 July 2017 and book closing date to collect the names of Shareholders on 1 August 2017

If you cannot personally attend the meeting and wish to appoint a proxy, who has attained legal age to attend the meeting and vote in the meeting on your behalf. In case of proxy, please send a proxy form affixed with THB 20 stamp and submit to the Chairman or the person assigned by the Chairman at the meeting place before the proxy attends the meeting. In such case, you and your proxy must fill out the form and send with the evidence and documents prescribed in Enclosure: 5 or you may appoint **Mr. Sumate Sangsiri, Independent Director and Chairman of the Audit Committee** to attend the meeting on your behalf by submitting the evidence and documents as prescribed in Enclosure: 5, and send by registered mail to Mr. Sumate Sangsiri at the Company's Office before 8 September 2017.

**Mr. Sumate Sangsiri, 56 years of age, residing at House No. 99/196, Mu Ban Chuan Chuen Ram Inthra, Soi Ram Inthra 65 Yaek 4, Tha Raeng Sub-district, Bang Khen District, Bangkok Metropolis**, is an Independent Director who is not sharing interests in any Agenda, not a relative to any Executive or major Shareholders of the Company or Subsidiary, not a participant in the administration, not a professional service provider and has no business relation with the Company or Subsidiary

Please be informed accordingly.

Yours sincerely,

Apar Kewkacha

(Apar Kewkacha)

President