

(Translation)

**Opinion of the Independent Financial Advisor
Regarding to the Asset Acquisition**

Of



Safari World Public Company Limited

Prepared by



Silom Advisory Company Limited

2 August 2017

2 August 2017

To Shareholders

Safari World Public Company Limited ("The Company" or "SAFARI")

Subject Opinion of the Independent Financial Advisor Regarding to the Asset Acquisition , Ratification for increase investment in Carnival Magic Project by Subsidiary

on 30 July 2014, the Board of Directors had a resolution to approve Phuket FantaSea Public Company Limited ("Phuket FantaSea"), the Company's subsidiary with 99.92% shareholding of its registered capital held by the Company, in an establishment of Carnival Magic Company Limited ("Carnival Magic"). The purpose of the establishment is to construct and operate a new theme park in Phuket ("Carnival Magic Project"). Carnival Magic was established on 9 October 2014 with an initial registered capital of THB 1 Million. Later, the Extraordinary General Meeting of Shareholders No. 1/2015 on 16 February 2015 had a resolution to approve an increase in the Company's registered capital of THB 666.65 Million where THB 516 Million was for investment in Phuket FantaSea. Consequently, Phuket FantaSea injected THB 406 Million capitals for expansion of Carnival Magic Project and THB 110 Million in an acquisition of 12 rai of land including staff house for Phuket FantaSea's employees. On 23 March 2015, Carnival Magic had increased its registered capital from the initial THB 1 Million to a new registered capital of THB 500 Million, consisting of 50 Million ordinary shares at par value of THB 10 per share. Currently, 99.0% of Carnival Magic's registered capital is held by Phuket FantaSea hence Carnival Magic is considered the Company's indirect subsidiary with shareholding through Phuket FantaSea.

ledge the construction progress of Carnival Magic Project with an investment value of THB 1,450 Million (excluding land value). The transaction size is equivalent to 36.50% of the Company and its subsidiary's total assets as appeared on the Company's consolidated financial statement ended 31st March 2015. This is classified as Type 2 of asset acquisition with the size of more than 15% but less than 50%. The Company had disclosed a report of Information Memorandum of an acquisition of asset in accordance with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand ("SET") and submitted the Information Memorandum regarding the transaction to the shareholder within 21 days from the date reported to the SET.

Later, on the 20 October 2015, the Extraordinary General Meeting of Shareholders No. 2/2015 had resolved to approve an increase in the Company's registered capital of THB 555.28 Million in which THB 471.20 Million was an investment in Phuket FantaSea. Phuket FantaSea then allocated THB 205 Million for acquisition of approximately 33 rai of land for Carnival Magic Project, THB 170 Million for building new staff house to accommodate Carnival Magic's employees and THB 96.10 Million for improvement of activities in Phuket FantaSea in order to provide services which will complement the opening of Carnival Magic Project. The subsidiary had already used the fund from capital increase for purposes as stated above.

Furthermore, Phuket FantaSea's acquisition of approximately 33 rai of land for Carnival Magic Project enabled maximization of land development potential since it became the land owner instead of the lessee from third party land owner. The management of Phuket FantaSea therefore revised the development plan and

concluded an increase of investment value from THB 1,450 Million (excluding land cost) to an investment value of approximately THB 3,570 Million including the land acquired by Phuket FantaSea on March 2015 for Carnival Magic Project. The acquired land consists of firstly, a piece of land with an area of 33-3-92.4 rai and a value of THB 205 Million. The second piece is the 12 rai land including Phuket FantaSea's staff house with value of THB 110 Million and construction cost for the staff house on the mentioned land of approximately THB 170 Million.

Consequently, in Carnival Magic's Board of Directors' Meeting no. 6/2017 held on 30 June 2017, the Board of Directors had considered the appropriateness of the aforementioned transaction. The consideration was based on market study, sizes of investment projects by both direct and indirect competitors in Phuket, competitiveness in the tourism industry at the present and in the future as well as the Company and its subsidiaries' financial status. The Board of Directors agreed that an increase in investment value of Carnival Magic Project from THB 1,450 Million to THB 3,570 Million is appropriate and beneficial to the Company and its subsidiaries in the long term. In addition, it will enhance the group companies' competitive edge in becoming the leader in tourism industry as well as maximize potential revenue in the future.

The company's Board of Directors' Meeting No. 8/2017 held on the 30 June 2017 had resolved to approve Phuket FantaSea's increase in investment value of Carnival Magic Project as previously mentioned. The opinions of the Board of Directors are to be presented to shareholders' meeting for ratification of the transaction. The transaction size is 103.34% of the Company and its subsidiary's total assets of THB 3,455.35 Million, as of 31 March 2015. This is classified as Class 4 of asset acquisition with the size of equal to or higher than 100% as per the Notification of the Capital Market and SET in accordance with the Notification of the Capital Market Supervisory Board No. ThorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand ("SET") regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B. E. 2547, dated October 29, 2004, and the amendments thereto (collectively called "the Notification on Asset Acquisition or Disposal"). As a result, the Company is obliged to disclose the information memorandum in relation to the transaction to SET and hold the shareholders' meeting for ratification of the transaction. The Company must receive a vote of not less than 3 out of 4 of the total votes from all shareholders attending the meeting with voting rights, without counting the votes cast by the stakeholders. Furthermore, the Company has appointed Silom Advisory Company Limited as an independent financial advisor (IFA) to give opinion on the transaction.

The Company has reviewed and concluded that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

- 1) The acquired business is similar to and complements the business of the Company
- 2) The Company does not have a policy to materially change its core business
- 3) The group company, as a result of the acquisition of the project, remains qualified for listing on the SET
- 4) There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the group companies

The Board of Directors approved the appointment of Silom Advisory Company Limited, an approved financial advisor by The Securities and Exchange Commission, as independent financial advisor (IFA) to provide

opinions to shareholders on the asset acquisition transaction of the company in accordance with the Notification of the Acquisition or Disposition of Asset.

In order to calculate the number in this report, some figures and values are typically rounded up by two or three digits based on case by case in which the derived numbers may not equal to such figure and value appeared in this report.

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Glossary

Abbreviation	Definition
CM or Carnival Magic	: Carnival Magic Company Limited
PF or Phuket FantaSea	: Phuket FantaSea Public Company Limited
SAFARI or the Company	: Safari World Public Company Limited
Carnival Magic Project or the Project	: New theme park project of the Company in Phuket
IFA or Independent Financial Advisor	: Silom Advisory Company Limited
SEC	: The Securities and Exchange Commission
SET	: The Stock Exchange of Thailand
Opinion of the Independent Financial Advisor	: Opinion of the Independent Financial Advisor Regarding to the Investment in Carnival Magic Project
Notifications on Asset Acquisition and Disposal	: The Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, dated 31 August 2008 (as amended), and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, dated 29 October 2004 (as amended)
Notifications on Connected Transaction	: The Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transaction dated 31 August 2008 and (as amended), and the Notification of the Securities and Exchange Commission Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 dated 19 November 2003 (as amended)

Section 1: Executive Summary

In reference to the Board of Directors' meeting of Safari World Public Company Limited (the "Company") No. 7/2014 on 30 July 2014, the Board of Directors had a resolution to approve Phuket FantaSea Public Company Limited ("Phuket FantaSea"), the Company's subsidiary with 99.92% shareholding of its registered capital held by the Company, in an establishment of Carnival Magic Company Limited ("Carnival Magic") to construct and operate a new theme park in Phuket ("Carnival Magic Project"). Since Phuket FantaSea has been operating for a long time, the Company need to develop the new them park to increase its competitiveness and grasp the opportunity of growing tourists in Phuket , the Company expect to obtain the old tourists who had visited to Phuket FantaSea both Thai and Foreign and to obtain first time visited tourists in Phuket which have high growth. Carnival Magic was established on 9th October 2014 with an initial registered capital of THB 1 Million. Later, the Extraordinary General Meeting of Shareholders No. 1/2015 on 16 February 2015 had a resolution to approve an increase in the Company's registered capital of THB 666.65 Million where THB 516 Million was for investment in Phuket FantaSea. Consequently, Phuket FantaSea injected THB 406 Million capital for expansion of Carnival Magic Project and THB 110 Million in an acquisition of 12 rai of land including staff house for Phuket FantaSea's employees. On 23rd March 2015, Carnival Magic had increased its registered capital from the initial THB 1 Million to a new registered capital of THB 500 Million, consisting of 50 Million ordinary shares at par value of THB 10 per share. Currently, 99.0% of Carnival Magic's registered capital is held by Phuket FantaSea hence Carnival Magic is considered the Company's indirect subsidiary with shareholding through Phuket FantaSea.

Accordingly, the Company's Board of Directors' Meeting No. 5/2015 on the 27 May 2015 had a resolution to acknowledge the construction progress of Carnival Magic Project with an investment value of THB 1,450 Million (excluding land value). The transaction size is equivalent to 36.50% of the Company and its subsidiary's total assets as appeared on the Company's consolidated financial statement ended 31 March 2015. This is classified as Type 2 of asset acquisition with the size of more than 15% but less than 50%. The Company had disclosed a report of Information Memorandum of an acquisition of asset in accordance with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand ("SET") and submitted the Information Memorandum regarding the transaction to the shareholder within 21 days from the date reported to the SET.

Later, on the 20th October 2015, the Extraordinary General Meeting of Shareholders No. 2/2015 had resolved to approve an increase in the Company's registered capital of THB 555.28 Million in which THB 471.20 Million was an investment in Phuket FantaSea. Phuket FantaSea then allocated THB 205 Million for acquisition of approximately 33 rai of land for Carnival Magic Project, THB 170 Million for building new staff house to accommodate Carnival Magic's employees and THB 96.10 Million for improvement of activities in Phuket FantaSea in order to provide services which will complement the opening of Carnival Magic Project. The subsidiary had already used the fund from capital increase for purposes as stated above.

Furthermore, Phuket FantaSea's acquisition of approximately 33 rai of land for Carnival Magic Project enabled maximization of land development potential since it became the land owner instead of the lessee from third party land owner which also eliminate risk that the Company might not be able to renew land lease after the project developed or operated and also the risk of increasing rental rate of each renewal. By the time of the development, the tourism situation in Phuket has been being changed due to the launch of Phuket Airport

Development Blueprint which will increase the capacity of air inbound tourists. The phase 1 of Phuket Airport Development Blueprint will increase capacity upto 12.5 Million people per year from 6.5 Million people per year by 2016-2017. The phase 2 and 3 will increase the capacity upto 18 and 25 Million people per year respectively by 2017-2025. There are also launches of several tourism project in Phuket such as Department Store, Community Mall, Amusement Park, Water Park, Aquarium and Theme Park which are the competitor and alternative to Carnival Magic Project. Those competitors and alternative will pressure on number of visitors and ticket price of Carnival Magic Project. The management aware of the situation and, therefore reviewed the development plan of the project to maintain its competitiveness to the competitors by enhance the goals to be the top of touristic spot of the world to upscale Thailand as a top tourism destination. The revised project plan also aims to expand business ground of group of the company to be bigger and stronger to push forward the revenue and profit of the group of the company stably and sustainably.

The management of Phuket FantaSea therefore revised the development plan and concluded an increase of investment value from THB 1,450 Million (excluding land cost) to an investment value of approximately THB 3,570 Million including the land acquired by Phuket FantaSea on March 2015 for Carnival Magic Project. The acquired land consists of firstly, a piece of land with an area of 33-3-92.4 rai and a value of THB 205 Million. The second piece is the 12 rai land including Phuket FantaSea's staff house with value of THB 110 Million and construction cost for the staff house on the mentioned land of approximately THB 170 Million.

Consequently, in Carnival Magic's Board of Directors' Meeting no. 6/2017 held on 30th June 2017, the Board of Directors had considered the appropriateness of the aforementioned transaction. The consideration was based on market study, sizes of investment projects by both direct and indirect competitors in Phuket, competitiveness in the tourism industry at the present and in the future as well as the Company and its subsidiaries' financial status. The Board of Directors agreed that an increase in investment value of Carnival Magic Project from THB 1,450 Million to THB 3,570 Million is appropriate and beneficial to the Company and its subsidiaries in the long term. In addition, it will enhance the group companies' competitive edge in becoming the leader in tourism industry as well as maximize potential revenue in the future. The transaction timeline can be summarized as following:

Date	Events
30 Jul 2014	The Board of Directors' meeting of the Company No. 7/2014 on 30th July 2014, had a resolution to approve PF to establish CM to develop and operate a new theme park at Phuket.
9 Oct 2014	Carnival Magic was established with an initial registered capital of THB 1 Million.
16 Feb 2015	Extraordinary General Meeting of Shareholders No. 1/2015 on 16th February 2015 had a resolution to approve an increase in the Company's registered capital of THB 666.65 Million where THB 516 Million was for investment in Phuket FantaSea.
23 Mar 2015	CM had increased its registered capital from the initial THB 1 Million to a new registered capital of THB 500 Million to be align with the promotion condition of Board of Investment that CM requires registered capital not less than THB 500 Million.

Date	Events
25 Mar 2015	PF acquired the asset to utilize in Carnival Magic Project as following: 1. Vacant Land 33-3 rai, THB 205 Million. 2. Lands with building 12 rai, THB 110 Million. 3. Construction of Staff house THB 170 Million.
27 May 2015	The Company's Board of Directors' Meeting No. 5/2015 on the 27th May 2015 had a resolution to acknowledge the construction progress of Carnival Magic Project with an investment value of THB 1,450 Million (excluding land value).
1 Sep 2015	CM awarded the promotion of Board of Investment.
20 Oct 2015	The Extraordinary General Meeting of Shareholders No. 2/2015 had resolved to approve an increase in the Company's registered capital of THB 555.28 Million in which THB 471.20 Million was an investment in PF and it was for PF to pay the debt of land loan.
25 Nov 2015	The Boarding of Director's Meeting of CM No. 3/2015 had a resolution to approve on the compensation reward of the Carnival Magic Project Business Design and control of the construction to 3 of the executives management of the Company THB 252 Million in total. The payment will reward monthly for not over than 2 years started from October 2015. The details are as flowing: 1 Mr. Kittikorn Kewkacha Managing Director THB 6,000,000 a month 2 Mr. Pin Kewkacha Chairman of Executive Committee THB 3,000,000 a month 3 Mr. Somwang Kewkacha Director and Executive Director THB 1,500,000 a month
25 Apr 2016	The Annual General Meeting of Shareholders of 2016 had a resolution on the ratification of THB 31.5 Million compensation reward of the Carnival Magic Project Business Design and control of the construction which had already paid till 31 December 2015 and ratified the payment reward for the remaining amount in the future.
23 Jun 2016	The Boarding of Director's Meeting of CM No. 6/2016 had a resolution to cancel the compensation reward on the Carnival Magic Project Business Design and control of the construction for THB 252 Million, instead CM paid only THB 73.50 Million as already paid till 30 April 2016 as the Executive Committee proposed.
29 Jun 2016	The Company's Board of Directors' Meeting No. 7/2016 had a resolution to suspend the compensation reward on the Carnival Magic Project Business Design and control of the construction to 3 Executives Directors and disclose the information memorandum to the SET
30 Jun 2017	The Company's Board of Directors' Meeting No. 7/2016 had a resolution to increase the investment from THB 1,450 to 3,570 Million and appointed an independent financial advisor (IFA) to give opinion on the transaction.

The Company's Board of Directors' Meeting No. 8/2017 held on the 30th June 2017 had resolved to approve Phuket FantaSea's increase in investment value of Carnival Magic Project as previously mentioned. The opinions of the Board of Directors are to be presented to shareholders' meeting for ratification of the transaction.

The transaction size is 103.34% of the Company and its subsidiary's total assets of THB 3,455.35 Million, as of 31 March 2015. This is classified as Class 4 of asset acquisition with the size of equal to or higher than 100% as per the Notification of the Capital Market and SET in accordance with the Notification of the Capital Market Supervisory Board No. ThorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand ("SET") regarding Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547, dated October 29, 2004, and the amendments thereto (collectively called "the Notification on Asset Acquisition or Disposal"). As a result, the Company is obliged to disclose the information memorandum in relation to the transaction to SET and hold the shareholders' meeting for ratification of the transaction. The Company must receive a vote of not less than 3 out of 4 of the total votes from all shareholders attending the meeting with voting rights, without counting the votes cast by the stakeholders. Furthermore, the Company has appointed Silom Advisory Company Limited as an independent financial advisor (IFA) to give opinion on the transaction.

The Company has reviewed and concluded that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

- 1) The acquired business is similar to and complements the business of the Company
- 2) The Company does not have a policy to materially change its core business
- 3) The group company, as a result of the acquisition of the project, remains qualified for listing on the SET
- 4) There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the group companies

The Board of Directors approved the appointment of Silom Advisory Company Limited, an approved financial advisor by The Securities and Exchange Commission, as independent financial advisor (IFA) to provide opinions to shareholders on the asset acquisition transaction of the company in accordance with the Notification of the Acquisition or Disposition of Asset.

In this regard, based on the study of relevant information, such as conditions of the transaction, advantages, disadvantages and risks of the transaction as well as appropriateness of price, the IFA's opinions shall be summarized follows:

Advantage of the Transaction

1. The Company has experienced in the same business from the past

Currently, PF as a subsidiary of the Company is the manager of the Phuket FantaSea project which is operating in the same business that the Company is about to invest. As the Phuket FantaSea project has been operating since 1999, its selling points are presenting various Thai cultural and traditional shows through innovative light and sound performance, serving international dinner buffet, and offering nationwide Thai products and souvenirs for the visitors. From its long operating experiences of more than 18 years, it reflects that its knowledge and skill of its current resources as well as its current ready-to-use equipment of the Company will generate additional revenues and returns, also, strengthen the Company's operation from the additional investment.

2. The Company will increase its ability in revenue generation

For the Project investment, it increases the Company source of income. At present, the Company's revenue is from the operation of the Safari world project in Bangkok and the Phuket FantaSea project in Phuket which operated by PF. Therefore, this investment will increase the Company's source of income from the new project which will have an increasing revenue growth for the Company in the future, also, diversifying investment in order to prevent the income risk from other projects.

3. The Company will increase its specific reputation

As the Project that the Company will invest is a large one, this might become an attractive destination in Phuket where could attract more visitors to the city and to the country. In case, this project become successful, it will contribute to the confidence of visitors to Thailand and result in increasing in Thai economy growth. Therefore, the effect will increase reputation and become better known in theme park business which is a positive effect if the company plan to invest more in the future.

4. The Project receives the investment promotion from Thailand Board of Investment (BOI)

The Project is supported by Thailand Board of Investment (BOI). As the Center for Performing Arts and Culture Act, the Project receive the privilege of according to Investment Promotion Act, A.D.1977. The examples of the privilege are Exemption of import duty on machinery, the exemption of corporate income tax on the net profit derived from the promoted business combined shall not exceed 100% of the investment which exclude land & working capital. The privilege duration is 5 years, starting from the first date of revenue generation. Moreover, the dividend from promoted businesses is exempted from corporate income tax. Eventually, the benefits receive from BOI is a tax saving for the Project based on the terms and conditions of BOI.

5. The Transaction is appropriate due to the feasibility study of the project investment

According to the feasibility study, the NPV for the Carnival Magic project is THB 831.66 Million and IRR is 10.43% per year which is higher than the Project's Weighted average cost of capital (WACC) of 7.83% per year. Thus, it is appropriate for this investment. To consider about expected return from the Project, the Equity NPV is THB 481.83 Million and the Equity IRR is 13.30% per year and it is higher than Cost of Equity (K_e) of 12.50% per year. As a result, the Carnival Magic project shows ability to generate returns which is higher than cost of capital and the cost of equity, eventually, this Transaction is appropriate in term of financial figures.

Disadvantages of the Transaction

1. The Company requires more liability result in interest burden in the future

For this Transaction, loans from financial institution is necessary as a funding source for project operation which will affect to the increase of the Company's D/E ratio and the increase of interest burden. The IFA estimates the highest Company's D/E ratio which might occur, the result is found to be at 2.35 times which is quite higher than and breach the agreement of bank's loans in which they designate the minimum D/E Ratio for each company (Please refer to details on loan agreements on Risk from breach of the covenants in loans agreement in Section 1 Page 8). However, the estimated performance from the Project is found that EBIT is higher than the expected interest expense form the Projects which shown the ability to pay debts during the estimated period (Please refer to details on summary of project's free cash flows in Section 5 Page 18). Moreover, the D/E Ratio is likely to decline steadily following the loan repayment terms & agreements with the financial institution.

2. The Company and its subsidiaries may lose their ability to incur liabilities in the future

According to loans for the Project's operation from one of the domestic financial institution, the Company and its subsidiaries is required to follow the loans conditions in the agreement to maintain Debt Service Coverage Ratio (DSCR) and Debt to Equity Ratio (D/E Ratio), thus, the future funding from the financial institution will be considered if the fund is for new investments, or for liquidity in the future (Please refer to details on key financial ratios in Risk Factors; Risk from breach of the covenants in loans agreement).

3. The Company might lose customers for the Phuket FantaSea

As the Project operates as quite similar to the Phuket FantaSea where is located in the same area, this might affect to the loss of current customer base or the prospective customers of the Phuket FantaSea project will turn to visit the Carnival Magic project instead. Eventually, the Phuket FantaSea project will lose the market share to the Carnival Magic project which the cannibalization will occur. This would affect the estimated revenue of the Phuket FantaSea, and would affect the overall operation of the Company. However, according to the Company's management interview, both projects are different programs. The Phuket FantaSea project is programed for the specific performance, while the Carnival Magic project is a theme park project which is focus on sightseeing in the park. In addition, the Company's management state that there is policies to have Bundling sale to attract the customers to visit both projects, also, to clarify the Market positioning of both projects for clear marketing strategy and in order to determine the clear target customers of each projects.

Risk Factors

1. Risk from the construction delay

As the Project investment expansion, the Company has planned to launch the Project within mid of 2019 which is extended from the previous launch in 2017 after the resolution of investment expansion. The construction has started since 2015 which account for 3 years and 6 months, as of 31 March 2017. The progression of the Project construction and the other expense is THB 1,497.45 Million which account for 41.95% of the Project and 48.75% of the building construction, respectively. However, the past construction delay of the Carnival Magic incurred from revising the main construction plan of restaurant and theatre to be bigger in order to serve more visitors. The examples of the revision plans are increasing floor plan from 1 floor to 3 floors and increasing the length and height of the theatre stage which requires grounding process to support new building structure to be more stable and stronger base. Later, the Company has the resolution for investment expansion in order to complete facilities of the Project to attract more visitors (Please consider the original and new construction plan in Section 3.4; Nature of the Transaction), so that the Company has adjusted its plan of the Project as below:

Scope of Work	2015	2016				2017				2018				2019	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Business Design															
Building and System Construction															
Architecture and Decoration															
Show Technique															
Product and Install Show Equipment															
Install Light for Show															
Show Test															
Open for Services															

As the Project is a huge project and take longer period for the construction, this might result in the construction delay risk which might from construction problems, or risk from natural factors such as heavy rain, flooding, etc. Those would prolong the process in construction and material preparation and would affect to performance and financial status of the Company. However, the Company has already signed contract with the contractor, thus, if the construction delays, the Company is able to claim the loss from the contractor under the construction contract.

4.4.2 Risk from an abandonment of construction from the contractors

Carnival Magic Project has the total value of construction approximately of THB 1,810.05 Million, comprising of total construction value (only) of THB 984.53 Million and total construction equipment value of THB 825.52 Million. The contractor and construction equipment provider are Tiger Construction 1 Co., Ltd. and Tiger Product Co., Ltd. in which they have no relationship with main shareholders, directors and management of the Company and its subsidiary companies as stated in the Notifications on Connected Transaction, as per the IFA's inspection. In this regard, Construction 1 Co., Ltd. and Tiger Product Co., Ltd. have their registered capital of THB 5 Million per company. As such, the Company engages the risk that the contractors may abandon the project construction as they may don't have sufficient working capital to support the project with the total value of THB 1,810.05 Million.

Nevertheless, the board of directors of PF and CM considered the appropriateness in order to appoint Tiger Construction 1 Co., Ltd. and Tiger Product Co., Ltd. based on their previous experiences. In this regard, their technical persons were in the team who managed the construction project of Phuket FantaSea project in the past 20 years so that they typically understand building construction system, have a reliability to maintain the business secret of the Company and have been trusted by leading local architecture companies as the contractor for various construction projects. In addition, as the Carnival Magic project is specific theme park project, each stage of the construction requires a person who has experience in this field in order not to cause any errors, leading to damage and delays on the construction. The management and board of directors of PF and CM chose to select the contractors based on their past working experience. In this regard, for the issue of relatively low amounts of registered capital of both companies, it was attributable to the situation that the group of shareholders and teammate in the company, which engaged in the Phuket FantaSea project, registered Tiger Construction 1 Co., Ltd. and Tiger Product Co., Ltd. and intended to use both companies to get in the Carnival Magic project due to their cost management purpose. As such, this may not affect the construction process and the abandonment risk since both companies have no obligation to reserve their cash to purchase any additional materials and equipment for the construction in which CM will pay in advance to Tiger Construction 1 Co., Ltd. in a portion and then pay the remaining amount by the installment according to the contract which will be align with the success rate of the construction. In case of Tiger Product Co., Ltd., CM will pay by the installment as agreed in the contract for Tiger Product Co., Ltd. to procure the construction material such as steel in which one of the supplier of Tiger Product Co., Ltd. issued the letter to Tiger Product Co., Ltd. to fix the price of the steel and some of the construction material where the letter is still effective.

3. Risk from decrease of number of tourists

The revenue growth for Carnival Magic project mainly depends on the number of tourists who visit Phuket as the project specifically attract the tourists so that if the number of tourists traveling to Phuket decrease, it may result in the revenue on Carnival Magic project will be deviated from the estimation and this may affect the Company's performance and financial position. Such factors are beyond the control of the Company and also the precise prediction of the number of tourists in the future may be difficult because there are other unpredictable factors which may affect such event, such as, natural disasters, political and economics, etc. Nevertheless, the Company has well-established experience in this business, including human resources and operational tools. Hence, if the adverse events occur in the future, the Company will focus on the marketing plan, and the projection of the performance and financial status of the Company at that time closely to formulate a business strategy so on.

According to the Bank of Thailand and the Department of Tourism, the numbers of tourists visiting Phuket have been continuously increased. In 2013-2015, Phuket has a number of tourists, ranging from 11.96 to 13.31 Million people, and the traveling cost per person per day is THB 5,639-6,143 as illustrated in the table below (Please refer to Attachment 1 for Phuket Tourist Statistics).

4. Risk from the volatility of interest rate

Carnival Magic project investment is partly financed from loans from local financial institutions and/or other individuals, including the issuance and offering of debt securities, totaling THB 2,920 Million. In this regard, considering to loans from domestic financial institution only at approximately of THB 1,930 Million, the interest rate will be specified at a Floating Interest Rate at the MLR - 0.15%, in which it equals to 6.10% (Reference is made on 8 November 2016 with the Minimum Loan Rate of 6.25% at that time). As such, the change in the interest rate, the financial institution may adjust the spread of interest rate to increase or decrease under the loan agreement so that the Company engages in the risk from the volatility of interest rate.

5. Risk from breach of the covenants under loan agreements

Currently, the Company, Phuket FantaSea, and CM engage the loans from local financial institution in which there are the conditions that these companies will have to maintain their financial ratios as stated in the loan agreements. The details of the above financial conditions are as follows.

Party	Conditions	Inspection
Company	<p><u>DSCR</u></p> <p>Not less than 1.05 times, calculated from earnings before interest, tax, depreciation and amortization, the expenses to maintain the assets in working condition, and the expenses to acquire new assets to replace existing assets, divided by the portion of long-term liabilities due in the period and interest from long and short term debts.</p> <p><u>D/E Ratio</u></p> <p>Not more than 1 times, calculated from total liabilities subtracted from loans from directors/ affiliated companies, divided by shareholders' equity including loans from directors/affiliated companies as a part of equity. D/E Ratio must not be less than zero.</p> <p><u>Additional debts</u></p>	Quarterly

Party	Conditions	Inspection
	The borrowings with financial institutional and/or the issuance of debt instruments by the amount exceeding THB 50.00 Million must be approved by the bank.	
PF	<p><u>DSCR</u></p> <p>Not less than 1.1 times, calculated from earnings before interest, tax, depreciation and amortization, the expenses to maintain the assets in working condition, and the expenses to acquire new assets to replace existing assets, divided by the portion of long-term liabilities due in the period and interest from long and short term debts.</p> <p><u>D/E Ratio</u></p> <p>Not more than 1.5 times, calculated from total liabilities subtracted from loans from directors/ affiliated companies, divided by shareholders' equity including loans from directors/affiliated companies as a part of equity. D/E Ratio must not be less than zero.</p>	Quarterly
CM	<p><u>DSCR</u></p> <p>Not less than 1.1 times, calculated from earnings before interest, tax, depreciation and amortization, the expenses to maintain the assets in working condition, and the expenses to acquire new assets to replace existing assets, divided by the portion of long-term liabilities due in the period and interest from long and short term debts.</p> <p><u>D/E Ratio</u></p> <p>Not more than 1 times, calculated from total liabilities subtracted from loans from directors/ affiliated companies, divided by shareholders' equity including loans from directors/affiliated companies as a part of equity. D/E Ratio must not be less than zero.</p> <p><u>Additional debts</u></p> <p>The borrowings with financial institutional and/or the issuance of debt instruments by the amount exceeding THB 50.00 Million must be approved by the bank.</p>	Quarterly

The Company and its subsidiaries must obtain the consent from such financial institution if they have to engage in any debt to any financial institution and/or issue any type of debt securities for the total value of more than THB 50.00 Million. In the case that CM cannot comply with the conditions in the loan agreement, the financial institution may suspend CM from the withdrawal of loans which it CM may have insufficient capital to support the construction of the project and it may affect the performance and financial position of CM in the future. In addition, as the Company and Phuket FantaSea provide financial supports to CM in the Carnival Magic project, if the Company and Phuket FantaSea cannot comply with the conditions under the loan agreement, it may also affect the liquidity and the financial supports on the project and it may affect the performance and financial position of CM in the future. In this regard, if each of the Company and its subsidiaries defaults, there are cross default condition applied to these three companies so that the Company and its subsidiaries' credit facilities might be seized or called back by the bank immediately.

As at 31 March 2017, the Company and its two subsidiaries have the financial ratios complying with the terms and conditions stated in the loan agreements. In this regard, the Company and its subsidiaries will operate its businesses on the appropriate capital structure which is beneficial for the Company and its shareholders and will comply with the conditions set forth in the loan agreements strictly and fully in order not to breach any

financial condition as stated above to enable the construction process of Magic Carnival project being constructed smoothly and continuously. However, the Company and its subsidiaries may occasionally negotiate with the financial institution for a waiver of conditions in the event that the Company and its subsidiaries fail to comply with such conditions in the future with force majeure.

6. Risk from insufficient funding procurement

The Company may engage the risk of not being able to procure enough funding for Magic Carnival project development due to the conditions under the loan agreements that it must obtain the consent from the financial institution for any additional debts with other financial institutions and/or an issuance of any debt securities for the normal operation with the value of more than THB 50 Million. In this regard, the Company plans to use source of funds from financial institutions and/or other individuals, including the issuance and offering of other debt securities totaling THB 2,000 Million to finance the project investment. If the financial institution does not agree the consent on the additional debts, the Company may not have the sufficient funds to support the Carnival Magic project.

The management of the Company has a plan to negotiate with the financial institution to increase the credit facility and amend the conditions with the existing debtor, e.g. drawdown and conditions related to increased project cost, to make sure that the Project will be smoothly and continuously run. The management also in the process of the negotiation with other financial institutions to obtain additional loans. It is anticipated that the results from the negotiation will be realized within October 2017. The Company's management expects that the Company is likely to receive the approval from such financial institution.

In addition, the Company may increase its registered capital from the existing shareholders and/or new shareholders in the future in case of being unable to obtain the loans from other financial institutions to meet the required amount for the Carnival Magic project.

7. Risk from the ratification being not made by the shareholders

In the event that the shareholders do not ratify the Transaction, the Company will have to terminate the construction contract as the contractors have already been engaged in the construction partly, and also terminate the purchase of equipment related to the construction and implementation of Carnival Magic project. Not only those sinking costs of THB 1,497.45 Million will occur to the Company, the Company will lose its credibility to the contractors and vendors and this will lead the company to enter into other transactions in the future more difficult. Moreover, the Company may also be sued by the counterparties. At present, the contractor and equipment purchasing values, under the name of CM and PF, has total values of 1,852.99 Million and THB 215.00 Million, respectively. The values include the construction of employee dormitory and substation.

Effect from the event that shareholders do not ratify the Transaction

If the shareholders do not ratify the Transaction, the IFA views that the Company will be affected by the fact that CM will not be able to continue the Carnival Magic project as planned by the Company's management. The IFA estimates the maximum damage to the Company by taking into account all investments in the Carnival Magic project as the details are as follows.

Details	The value of the investment already paid (THB Million)
1. Building	877.45
2. Lamps, electrical equipment and computers	19.56
3. Wage and technical expert	31.73
4. Interest	19.20
5. Architecture	73.50
6. Land of 45-3-93 Rai	315.00
7. Staff accommodation buildings	161.01
Total	1,497.45

From the above table, it can be seen that if the shareholders do not ratify the Transaction, the Company will be damaged by THB 1,497.45 Million and all of the construction project will not be able to be adjusted as per the existing budget and the Project shall not run as it is still incomplete. Moreover, the Company may have to be responsible for any fines for the cancellation of all construction contracts. Currently the total value of the construction contracts and construction material contract of CM are THB 1,852.99 Million and there are also THB 215.00 Million for the staff house construction and substation by PF.

Advantages of Non-Entry to the Transaction

1. The Company will not have additional interest bearing debts and not bear interest payments

For the investment in Carnival Magic project, the Company engaged in loans from a local financial institution for building construction and working capital. If the company decides not to enter into the Transaction, the Company will have no need to borrow and this will result in a constant debt to equity ratio and the Company will have no additional interest payments in the future.

2. The Company will not be exposed to any investment risk for this project

If the Company decides not to enter into this Transaction, the Company will not bear the risk from the investment in Carnival Magic project as stated in the report.

3. The Company will maintain its ability to incur additional liabilities

If the Company decides not to enter into this Transaction, the Company will still have its working capital and will continue to be able to incur additional liabilities from applying for a loans with financial institutions since there is no increase in debt to equity ratio. This will benefit the Company in case that the Company desires to invest in other projects, in the future, which may have more competitive returns and risks than Carnival Magic project.

Disadvantages of Non-Entry to the Transaction

1. The Company will lose the opportunity to invest in Carnival Magic project

If the Company decides not to enter into this Transaction, the Company will lose the opportunity to increase source of revenue and also the opportunity to generate returns on Magic Carnival project in which it is feasible to invest with the internal rate of return of 10.43% compared to the cost of capital of 7.83%. In addition, the Company will lose the opportunity to be widely known as Magic Carnival project is large in which it may help drive the domestic tourism industry.

2. The Company shall take the time to consider investing in other projects

If the Company decides not to enter into this Transaction, the Company may have to seek for other projects to invest in order to improve the company's performance so that the opportunity cost will be incurred if the Transaction is denied. In addition, the other projects that the Company considers in the future may provide lower returns and/or higher risks in which it reduces the worthiness of future investments.

3. The Company has to cancel the construction contract and related orders

If the Company decides not to enter into this Transaction, the Company will have to cancel the construction contracts since the contractors have been already engaged in the construction of Magic Carval project partly. In addition, the Company will have to cancel the purchasing order of equipment related to the construction and implementation of Magic Carnival project. In addition to the company. Not only those sinking costs will occur to the Company, the Company will lose its credibility to the contractors and vendors and this will lead the company to enter into other transactions in the future more difficult. Moreover, the Company may also be sued by the counterparties.

The Carnival Magic project will help the Company increases source of revenue, diversifies the business risk, based on the experience of current employees and operational tools of the Company, expected that the Company will have better performance from this. Nevertheless, the shareholders may have to consider the disadvantages of entering into the transaction, for example, the cannibalization effect, and the investment risk, such as delay in the construction, decrease of number of tourists and the conditions under loan agreements.

Based on the risk factors, advantages and disadvantages of entering into the transaction and not entering into the transaction as mentioned above, the IFA considers that the Transaction is reasonable.

With regard to the suitability of entering into the transaction, the IFA has evaluated return on investment taking into account 1) Net Present Value (NPV) for the project and shareholders 2) Project IRR and Equity IRR, which can be summarized as follows:

Valuation Methods of Return on Investment	Project	Equity
Net Present Value (NPV)	THB 831.66 Million	THB 481.83 Million
Internal Rate of Return (IRR)	10.43%	13.30%

From the table, it is concluded that Canival Magic Project's NPV is THB 831.66 Million and IRR is 10.43% per annum, higher than the average of weighted average cost of capital (WACC) of the project of 7.83% per annum. It is considered appropriate for entering into investment. When considering ROI of the Company expected to receive from Carnival Magic Project, the Equity NPV amounts to THB 481.83 Million, whereas EIRR is 13.30% per annum, higher than the average of cost of equity (K_e) of 12.50% per annum.

Therefore, this investment in Carnival Magic Project, and the IFA is of the opinion that **the return on investment is reasonable**. In summary, the IFA recommends that shareholders **should ratify entering into this transaction regarding asset acquisition**.

However, shareholders should consider the reasonableness and the IFA's opinion which is based on the assumption that gathered information, documents and draft documents, including interviews with the

executives and related persons are complete and accurate. In addition, shareholders should consider conditions and specification of entering into the transaction. The IFA is of the opinion that the assumptions used in preparing financial projection are reasonable in accordance with economic conditions and existing information during the period of study. Any future possible changes may be the factors to affect the IFA's opinion. Hence, decision-making on whether to approve or disapprove entering into the transaction will mainly depend on shareholders' consideration.

Section 2: Practice and Information Used in the Preparation of IFA Report

The IFA considers and studies the information relating to the asset acquisition based on the information provided by the Company, management interview, and public information including but not limited to:

1. The Company's Board of Directors minute, information memorandum disclosed via the SET in relation to Asset Acquisition Transaction.
2. The Company and its subsidiaries' documents
3. Other related contracts, i.e., contractor agreements
4. Interviewing the Company's management and person relating to the Transaction
5. SET's statistic data and industry circumstance.

The IFA's opinion is based on the assumption that information and/or documents as well as interviews with the Company's management and person relating to the Assets Acquisition Transaction are true and correct in which the IFA considers and studies the information with the prudence and reasonableness according to professional conduct. In addition, the IFA assumes that all of the business contracts and agreements is enforceable and legal binding, and the condition is not changed, revoked, canceled, and there is no incident or condition which may significant affect the Assets Acquisition Transaction.

As such, If the information and/or documents which the IFA receives is not true and/or incorrect, and the business contracts and agreements is not enforceable and/or legal binding, and/or the condition is changed, revoked, canceled, and/or there is incident or condition which may significant affect the Assets Acquisition Transaction, it may affect the IFA opinion in which the IFA is not be able to give the opinion regarding the effect to the Company and the Company's shareholders.

The IFA's opinion is prepared based on the information which the IFA receives and the industry, economic, and other external conditions that arise during the preparation period. Those factors may be significant changed thereafter and may affect the IFA's opinion in which the IFA has no obligation to revise the opinion stated herein.

The IFA Report is prepared for the purpose of providing the sufficient information to the Company's shareholders in order to make the decision regarding the Assets Acquisition Transaction ratification. The decision to ratify or disratify depends on the Company's shareholders discretion. The Company's shareholders should study information and documents attached in the shareholders' meeting invitation letter with prudence and carefulness before making the decision so that the Company's shareholders could make the appropriate decision. This IFA Report doesn't guarantee the successfulness of the transactions or any effect which may be occur and the IFA has no obligation on any effects which directly or indirectly arise from the Assets Acquisition Transaction.

Section 3 : Detail of the transaction

3.1 Objectives and Rationales of the Transaction

In reference to the Board of Directors' meeting of Safari World Public Company Limited (the "Company") No. 7/2014 on 30 July 2014, the Board of Directors had a resolution to approve Phuket FantaSea Public Company Limited ("Phuket FantaSea"), the Company's subsidiary with 99.92% shareholding of its registered capital held by the Company, in an establishment of Carnival Magic Company Limited ("Carnival Magic") to construct and operate a new theme park in Phuket ("Carnival Magic Project"). Since Phuket FantaSea has been operating for a long time, the Company need to develop the new them park to increase its competitiveness and grasp the opportunity of growing tourists in Phuket , the Company expect to obtain the old tourists who had visited to Phuket FantaSea both Thai and Foreign and to obtain first time visited tourists in Phuket which have high growth. Carnival Magic was established on 9 October 2014 with an initial registered capital of THB 1 Million. Later, the Extraordinary General Meeting of Shareholders No. 1/2015 on 16 February 2015 had a resolution to approve an increase in the Company's registered capital of THB 666.65 Million where THB 516 Million was for investment in Phuket FantaSea. Consequently, Phuket FantaSea injected THB 406 Million capital for expansion of Carnival Magic Project and THB 110 Million in an acquisition of 12 rai of land including staff house for Phuket FantaSea's employees. On 23 March 2015, Carnival Magic had increased its registered capital from the initial THB 1 Million to a new registered capital of THB 500 Million, consisting of 50 Million ordinary shares at par value of THB 10 per share. Currently, 99.0% of Carnival Magic's registered capital is held by Phuket FantaSea hence Carnival Magic is considered the Company's indirect subsidiary with shareholding through Phuket FantaSea.

Accordingly, the Company's Board of Directors' Meeting No. 5/2015 on the 27 May 2015 had a resolution to acknowledge the construction progress of Carnival Magic Project with an investment value of THB 1,450 Million (excluding land value). The transaction size is equivalent to 36.50% of the Company and its subsidiary's total assets as appeared on the Company's consolidated financial statement ended 31st March 2015. This is classified as Type 2 of asset acquisition with the size of more than 15% but less than 50%. The Company had disclosed a report of Information Memorandum of an acquisition of asset in accordance with the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand ("SET") and submitted the Information Memorandum regarding the transaction to the shareholder within 21 days from the date reported to the SET.

Later, on the 20th October 2015, the Extraordinary General Meeting of Shareholders No. 2/2015 had resolved to approve an increase in the Company's registered capital of THB 555.28 Million in which THB 471.20 Million was an investment in Phuket FantaSea. Phuket FantaSea then allocated THB 205 Million for acquisition of approximately 33 rai of land for Carnival Magic Project, THB 170 Million for building new staff house to accommodate Carnival Magic's employees and THB 96.10 Million for improvement of activities in Phuket FantaSea in order to provide services which will complement the opening of Carnival Magic Project. The subsidiary had already used the fund from capital increase for purposes as stated above.

Furthermore, Phuket FantaSea's acquisition of approximately 33 rai of land for Carnival Magic Project enabled maximization of land development potential since it became the land owner instead of the lessee from third party land owner which also eliminate risk that the Company might not be able to renew land lease after

the project developed or operated and also the risk of increasing rental rate of each renewal. By the time of the development, the tourism situation in Phuket has been being changed due to the launch of Phuket Airport Development Blueprint which will increase the capacity of air inbound tourists. The phase 1 of Phuket Airport Development Blueprint will increase capacity upto 12.5 Million people per year from 6.5 Million people per year by 2016-2017. The phase 2 and 3 will increase the capacity upto 18 and 25 Million people per year respectively by 2017-2025. There are also launches of several tourism project in Phuket such as Department Store, Community Mall, Amusement Park, Water Park, Aquarium and Theme Park which are the competitor and alternative to Carnival Magic Project. Those competitors and alternative will pressure on number of visitors and ticket price of Carnival Magic Project. The management awared on the situation and, therefore reviewed the development plan of the project to maintain its competitiveness to the competitors by enhance the goals to be the top of touristic spot of the world to upscale Thailand as a top tourism destination. The revised project plan also aims to expand business ground of group of the company to be bigger and stronger to push forward the revenue and profit of the group of the company stably and sustainably.

The management of Phuket FantaSea therefore revised the development plan and concluded an increase of investment value from THB 1,450 Million (excluding land cost) to an investment value of approximately THB 3,570 Million including the land acquired by Phuket FantaSea on March 2015 for Carnival Magic Project. The acquired land consists of firstly, a piece of land with an area of 33-3-92.4 rai and a value of THB 205 Million. The second piece is the 12 rai land including Phuket FantaSea's staff house with value of THB 110 Million and construction cost for the staff house on the mentioned land of approximately THB 170 Million.

Consequently, in Carnival Magic's Board of Directors' Meeting no. 6/2017 held on 30 June 2017, the Board of Directors had considered the appropriateness of the aforementioned transaction. The consideration was based on market study, sizes of investment projects by both direct and indirect competitors in Phuket, competitiveness in the tourism industry at the present and in the future as well as the Company and its subsidiaries' financial status. The Board of Directors agreed that an increase in investment value of Carnival Magic Project from THB 1,450 Million to THB 3,570 Million is appropriate and beneficial to the Company and its subsidiaries in the long term. In addition, it will enhance the group companies' competitive edge in becoming the leader in tourism industry as well as maximize potential revenue in the future. The transaction timeline can be summarized as following:

Date	Events
30 Jul 2014	The Board of Directors' meeting of the Company No. 7/2014 on 30th July 2014, had a resolution to approve PF to establish CM to develop and operate a new theme park at Phuket.
9 Oct 2014	Carnival Magic was established with an initial registered capital of THB 1 Million.
16 Feb 2015	Extraordinary General Meeting of Shareholders No. 1/2015 on 16th February 2015 had a resolution to approve an increase in the Company's registered capital of THB 666.65 Million where THB 516 Million was for investment in Phuket FantaSea.

Date	Events
23 Mar 2015	CM had increased its registered capital from the initial THB 1 Million to a new registered capital of THB 500 Million to be align with the promotion condition of Board of Investment that CM requires registered capital not less than THB 500 Million.
25 Mar 2015	PF acquired the asset to utilize in Carnival Magic Project as following: 1. Vacant Land 33-3 rai, THB 205 Million. 2. Lands with building 12 rai, THB 110 Million. 3. Construction of Staff house THB 170 Million .
27 May 2015	The Company's Board of Directors' Meeting No. 5/2015 on the 27th May 2015 had a resolution to acknowledge the construction progress of Carnival Magic Project with an investment value of THB 1,450 Million (excluding land value).
1 Sep 2015	CM awarded the promotion of Board of Investment .
20 Oct 2015	The Extraordinary General Meeting of Shareholders No. 2/2015 had resolved to approve an increase in the Company's registered capital of THB 555.28 Million in which THB 471.20 Million was an investment in PF and it was for PF to pay the debt of land loan.
25 Nov 2015	The Boarding of Director's Meeting of CM No. 3/2015 had a resolution to approve on the compensation reward of the Carnival Magic Project Business Design and control of the construction to 3 of the executives management of the Company THB 252 Million in total. The payment will reward monthly for not over than 2 years started from October 2015. The details are as flowing: 1 Mr. Kittikorn Kewkacha Manging Diretor THB 6,000,000 a month 2 Mr. Pin Kewkacha Chairman of Executive Committee THB 3,000,000 a month 3 Mr. Somwang Kewkacha Director and Executive Director THB 1,500,000 a month
25 Apr 2016	The Annual General Meeting of Shareholders of 2016 had a resolution on the ratification of THB 31.5 Million compensation reward of the Carnivaal Magic Project Business Design and control of the construction which had already paid till 31 December 2015 and ratified the payment reward for the remaining amount in the future.
23 Jun 2016	The Boarding of Director's Meeting of CM No. 6/2016 had a resolution to cancel the compensation reward on the Carnival Magic Project Business Design and control of the construction for THB 252 Million, instead CM paid only THB 73.50 Million as already paid till 30 April 2016 as the Executive Committee proposed.
29 Jun 2016	The Company's Board of Directors' Meeting No. 7/2016 had a resolution to suspend the compensation reward on the Carnival Magic Project Business Design and control of the construction to 3 Executives Directors and disclose the information memorandum to the SET
30 Jun 2017	The Company's Board of Directors' Meeting No. 7/2016 had a resolution to increase the investment from THB 1,450 to 3,570 Million and appointed an independent financial advisor (IFA) to give opinion on the transaction.

3.2 Date of the Transaction

After the Board of Directors had a resolution in meeting No. 7/2014 on 30 July 2014 to approve Phuket FantaSea Public Company Limited in an establishment of Carnival Magic Company Limited (“Carnival Magic”). The purpose of the establishment is to construct and operate a new theme park in Phuket (“Carnival Magic Project”). On the 27 May 2015, the Company’s Board of Directors’ Meeting No. 5/2015 had a resolution to acknowledge the construction progress of Carnival Magic Project with an investment value of THB 1,450 Million (excluding land value). Later The company’s Board of Directors’ Meeting No. 8/2017 held on the 30 June 2017 had resolved to approve Phuket FantaSea’s increase in investment value of Carnival Magic Project to not over than THB 3,570 Million. The Board of Directors approved to set the date for the Extraordinary General Meeting of Shareholders No. 1/2017 on 8 September 2017 for the shareholders to ratify the increase of the investment.

3.3 Counterparty and Relationship with the Company

3.3.1 Buying Contract of land and staff house with total area of 12-0-0 rai on 25 March 2015

Buyer	:	Phuket FantaSea Public Company Limited, the Company’s subsidiary with 99.92% shareholding of its registered capital
Seller	:	Kamala Beach Resort and Hotel Management Public Company Limited
Relationship	:	The counterparties are not related to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

3.3.2 Buying Contract of vacant land with total area of 33-3-92.4 rai on 25 March 2015

Buyer	:	Phuket FantaSea Public Company Limited, the Company’s subsidiary with 99.92% shareholding of its registered capital
Seller	:	Mr. Aun Akevanich,
Relationship	:	The counterparties are not related to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

3.3.3 Contract for building construction, engineering system and infrastructure

Employer	:	Carnival Magic Company Limited
Contractor	:	Tiger Construction1 Company Limited
Relationship	:	The counterparties are not related to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

3.3.4 Contract for construction material and equipment

Employer	:	Carnival Magic Company Limited
Contractor	:	Tiger Product Company Limited
Relationship	:	The counterparties are not related to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

3.3.5 Contract for Flying Effect on 25 September 2016

Employer	:	Carnival Magic Company Limited
Contractor	:	Kirby's AFX Ltd. (Juristic person registered in United Kingdom)
Relationship	:	The counterparties are not related to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

3.3.6 Contract for the small powerplant installation on 4 September 2016

Employer	:	Phuket FantaSea Public Company Limited, the Company's subsidiary with 99.92% shareholding of its registered capital
Contractor	:	ABB Company Limited
Relationship	:	The counterparties are not related to the Company and its subsidiaries, as defined by the Securities and Exchange Commission and SET

3.4 General Characteristic of the Transaction

Carnival Magic is a subsidiary of the company by holding shares in Phuket FantaSea 99.92% of paid-in capital and Phuket FantaSea holds shares in Carnival Magic 99.90% of paid-in capital. The Carnival Magic Project is built on approximately 83 rai of land in Kamala, Katu District, Phuket, where the land is owned by Phuket FantaSea. The total investment value, including land and construction cost of the project is approximately THB 3,570 Million, where initial investment value of THB 1,450 Million (excluding land cost) was approved by the Board of Directors' Meeting No. 5/2015 on 27 May 2015.

The investment value of THB 1,450 Million is used for project construction on land of approximately 63 rai. This consists of 30 rai of land owned by Phuket FantaSea and approximately 33 rai of land lease from an unrelated third party. Later on March 2015, Phuket FantaSea was able to acquire 33 rai of land which allows Carnival Magic to maximize land development potential as per the consolidated of land ownership. The management of Carnival Magic hence developed and revised the design of Carnival Magic Project for a better and more appropriate use of land and to better compete in the tourism business in Phuket and nearby provinces. These include an increase in project area from originally 63 rai to approximately 82 rai, an expansion of theatre and restaurant, which are the project's main buildings, to accommodate more tourists, increase in activities corresponding to larger area as well as improvements in various systems and public utility to be more modernized and secure. Moreover, there is also an enhancement in design, techniques, and lighting for both inside the buildings and the project's surrounding area to create a unique and magnificent view of theme park as well as to be the leader of international tourism and Thailand's No. 1 and world's renowned theme park.

Carnival Magic Project has begun construction since late 2015. After the company's Board of Directors' Meeting No. 8/2017 held on the 30 June 2017 had resolved to approve Phuket FantaSea's increase in investment value of Carnival Magic Project to THB 3,570 Million, it is expected to service the tourists within mid of 2019

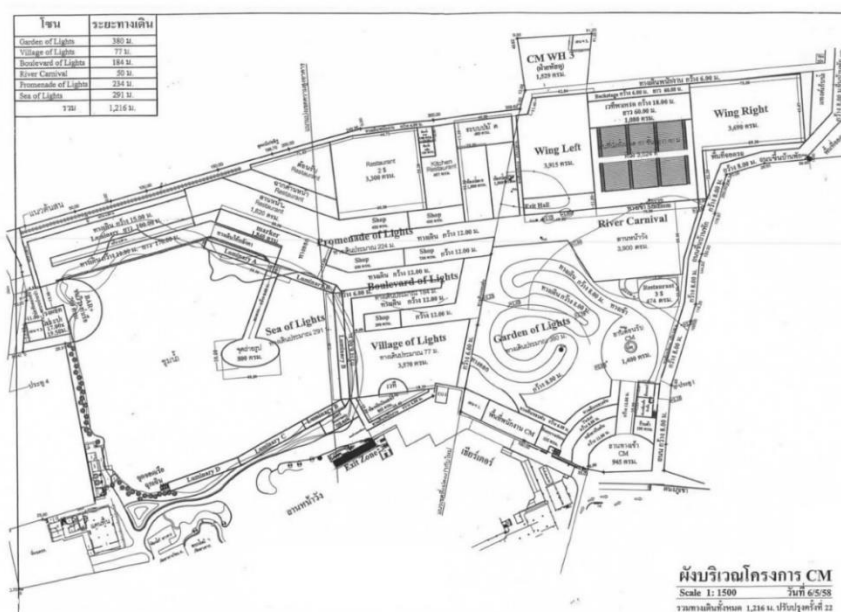
Summary of the increase of the investment

Investment Cost	Past Budget	Revised Budget	Increase (Decrease)	Amount Paid	Percentage to Revised Budget
1) Building Construction	650.00	1,800.00	1,150.00	877.45	48.75
2) Lights, electronics & Computer equipment	350.00	300.00	(50.00)	19.56	6.52
3) Electrical substation & generator	80.00	80.00	-	-	
4) Parks Decoration	140.00	300.00	160.00	-	
5) Equipment used in performance	60.00	120.00	60.00	-	
6) Labor and expert costs ¹	70.00	130.00	60.00	31.73	24.41
7) Advertising expense	20.00	30.00	10.00		
8) Financial cost	50.00	180.00	130.00	19.20	10.67
9) Working capital and others	30.00	71.50	41.50	-	
10) Business design compensation	-	73.50	73.50	73.50	100.00
11) Land 45-3-93 rai	-	315.00	315.00	315.00	100.00
12) Construction of staff house	-	170.00	170.00	161.01	94.71
Total	1,450.00	3,570.00	2,120.00	1,497.45	41.95

source : information memorandum in relation to the transaction to the Stock Exchange of Thailand (SET)

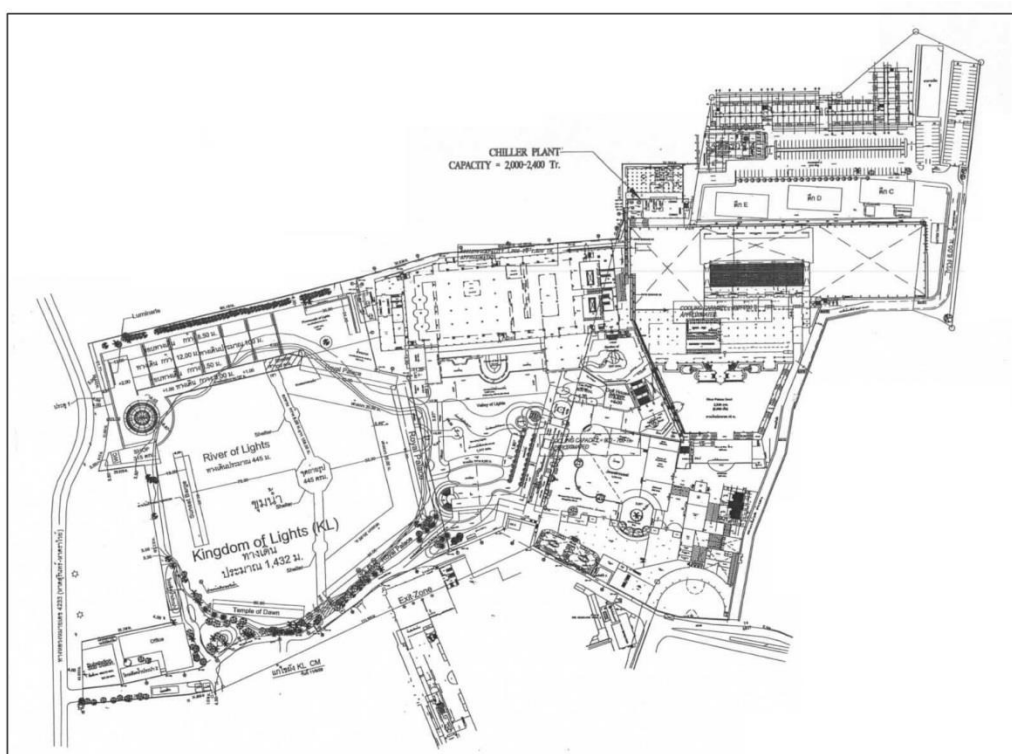
¹ Labor and expert costs are the employees and managements that CM hire to develop the project including PF's employees that have specialty in developing theme park. CM will pay such expenses as work in process approximately THB 5 Million per month for 2 years and a half which equal to THB 130 Million in total.

Project Layout of past budget value of THB 1,450 Million



source : The company

Project Layout of revised budget value of THB 3,570 Million



source : The company

The increase value of the project size is mainly from the additional construction of the building THB 1,150.00 Million due to the increase of the useful space of the performance stadium and restaurant which are the major construction building of the project including the expansion number of minor building such as souvenir shop and activity shop which result in the increasing construction and material cost of the building, technical design, infrastructure and increasing of others decoration on others detail as a consequence.

Summary of increasing of the construction of Carnival Magic Project

	Zone	Construction Area (sq. meter) of THB 1,450 Million budget	Construction Area (sq. meter) of THB 3,570 Million budget	Increasing Area (sq. meter)	Percent Change
1	Show Stadium	16,827.88	24,759.33	7,931.45	47.13
2	Shopping Street	15,360.52	37,543.18	22,182.66	144.41
3	Restaurant	9,505.61	24,222.37	14,716.76	154.82
4	Light City	17,678.62	21,355.60	3,676.98	20.80
5	Others	6,780.82	8,989.50	2,208.69	32.57
Total Construction Area		66,153.44	116,869.98	50,716.54	76.66

The THB 73.5 Million of compensation reward which has no hiring contract of the Carnival Magic Project business design included in transaction size is the connected transaction between CM and Executive Directors of the Company. The Company's Board of Directors' Meeting No. 7/2016 had a resolution to enter into the connected transaction on the compensation reward on the Carnival Magic Project Business Design and disclose

the information memorandum to the SET. The connected transaction was originally the Boarding of Director's Meeting of CM No. 3/2015 had a resolution to approve on the compensation reward of the Carnival Magic Project Business Design and control of the construction to 3 of the executives management of the Company instead of hiring experts from foreign which have high cost. The Company can utilize the experiences and knowledge of 3 Executives Directors who have experiences in development Phuket FantaSea project and survey to the theme parks all over the world including the internal employees of PF which have experience in decoration, parade and performance preparing and operation in the business. The Business Design covers the design of Business Concept , Master Plan of building and layout of them park, interior and exterior decoration, computer system and operating model etc. The compensation rewarded to 3 Executives Directors were THB 252 Million in total paid in monthly not longer than 2 years since October 2015. The details are as following:

Name	Position	Monthly compensation	Role
Mr. Kittikorn Kewkacha	Managing Director	6,000,000	Overall project planning and design , Performance design, Operating model design
Mr. Pin Kewkacha	Chairman of Executive Committee	3,000,000	Overall project planning and concept design
Mr. Somwang Kewkacha	Director and Executive Director	1,500,000	Revenue planning and souvenir product

The details of Business design cover the following area:

	Scope of work	Main Person in Charge	Co-designing person	Progress
1	Master Plan Design (Model)	Mr. Kittikorn	Mr. Pin / Mr. Somwang	Overall Master Plan of the Project has been already completed. Model of master plan phase 1 has already done while phase 2 and 3 are in the process.
2	Building concept design e.g. shop, stadium, entrance, ticket booth	Mr. Kittikorn	Mr. Pin / Mr. Somwang	Building concept design are completed 80% and some part has started the construction.
3	Performance stadium design	Mr. Kittikorn	Mr. Pin / Mr. Somwang	Design and construction are 70% completed.
4	Park Activity Design	Mr. Kittikorn	Mr. Pin / Mr. Somwang	Design and construction are completed 35%

	Scope of work	Main Person in Charge	Co-designing person	Progress
5	Design of layout, walking route, trees, garden and the lagoon	Mr. Pin	Mr. Kittikorn / Mr. Somwang	Overall design has been completed. Blueprint are in the process.
6	Highlight of lighting design	Mr. Kittikorn	Mr. Pin / Mr. Somwang	Overall design has been completed. Blueprint are in the process.
7	Lighting control computer system design	Mr. Kittikorn	Mr. Pin / Mr. Somwang	Designing are in process, the completion is around 20%.
8	Design and Installation control of LED decoration over the park	Mr. Kittikorn	Mr. Pin / Mr. Somwang	-
9	Sound and music design to create atmosphere in the park	Mr. Somwang	Mr. Kittikorn	Designing are in process.
10	Show technic design	Mr. Kittikorn	-	High level design has been completed. CM has already hired the foreign expert for special technic
11	Design and control the Installation of high technical flying effect, water floating system	Mr. Kittikorn	-	-
12	Design of scene, light, color, sound and story telling	Mr. Kittikorn	-	Overall design has been completed. Blueprint are in the process. The music is being composed.
13	Design the carnival parade and story	Mr. Kittikorn	Mr. Pin / Mr. Somwang	Overall design has been completed. Blueprint and model are in the process.
14	Costume design for actor and actress	Mr. Somwang	Mr. Kittikorn	Some part has been started.
15	Show design and train the actor and actress	Mr. Kittikorn	-	Overall design has been completed.

	Scope of work	Main Person in Charge	Co-designing person	Progress
16	Design overall activity in the project	Mr. Kittikorn	Mr. Pin / Mr. Somwang	It is being under discussed and designed
17	Design management information system	Mr. Kittikorn	Mr. Pin / Mr. Somwang	The system is being coded.
18	Reservation system design including ticket design	Mr. Kittikorn	Mr. Pin / Mr. Somwang	The system is being coded.
19	Human resource system design	Mr. Pin	Mr. Kittikorn / Mr. Somwang	It is being planned.
20	Advertising and billboard design	Mr. Pin	Mr. Kittikorn	-
21	Social Network Communication design	Mr. Kittikorn	Mr. Somwang	-
22	Technical and practical training design	Mr. Pin	Mr. Kittikorn / Mr. Somwang	It is being planned.
23	Job manual and Job Description	Mr. Pin	Mr. Kittikorn / Mr. Somwang	Job manual and Job Description are being written
24	Design Souvenir and new product	Mr. Somwang	Mr. Kittikorn / Mr. Pin	Overall design is in process and the supplier of the production is in process of searching.
25	Design Tourists transferring service system	Mr. Pin	Mr. Kittikorn / Mr. Somwang	In the process of designing traffic, parking space and GPS tracking system.
26	Design Marketing and sales plan	Mr. Pin	Mr. Kittikorn / Mr. Somwang	The target customer and sale channel are defined, the details of sale plan in process.
27	Revenue, souvenir and revenue system design	Mr. Somwang	Mr. Pin / Mr. Kittikorn	Sources of revenue are planned in general while the detail of services and souvenirs are in the process of detail design.
28	Fund seeking and BOI promotion application	Mr. Pin	-	This has been operated.

	Scope of work	Main Person in Charge	Co-designing person	Progress
29	Others minor task until the operation of service	Mr. Pin	Mr. Kittikorn / Mr. Somwang	The minor tasks occurred while the construction until the service operation such as application for permission, contact and appointment with related government department, human resource management in the project etc. which are under responsibility of 3 executive managements.

However, the compensation value was 9.5% of the Net Total Asset of the Company considered as connected transaction that requires approval from Shareholders' meeting which might take up to 5-6 months in process which can be loss of developed of the project. Therefore, in order to move the project forward as planned, 3 Executives Directors proposed to the CM's Board of Directors meeting No.6/2016 on 23 June 2016 to cancel the compensation reward THB 252 Million and instead to receive just THB 73.5 Million as paid till 30 April 2016 while 3 Executives Directors are still taking responsible on the Business Design of the project as mentioned until the project operation.

3.5 Basis for Determining Value of Consideration

Entering into the transaction of increase Carnival Magic investment is considered as class 4 of an acquisition of assets in accordance with the Notification on Acquisition or Disposal, which the transaction size is calculated as per audited Company's consolidated financial statements ended 31 March 2015.

Criteria		Calculation
Net Tangible Assets	=	Not applicable as CM is a newly registered entity
Net Profit	=	Not applicable as CM is a newly registered entity
Total Value of Consideration	=	Total amount paid for the asset / Total Assets of the Company
	=	(3,570/ 3,455.35) x 100
	=	103.34 %
Value of Securities issued by the company	=	Not applicable as the Company does not issue any securities.

Regarding the results of the calculation above, the largest transaction value is equal to 103.34% and is considered as class 4 of an acquisition of assets in accordance with the Notification on Acquisition or Disposal, which has the size over than 100% As a result, the Company is obliged to disclose the information memorandum in relation to the transaction to the SET and to hold the shareholders' meeting for ratification of the transaction as well as appoint an independent financial advisor (IFA) to give opinion on the transaction. The company need the shareholders ratification not less than 3 out of 4 of the total votes from all shareholders attending the meeting with voting rights without counting the votes cast by the stakeholders.

3.6 Details of Assets to be Acquired

1 General information of Carnival Magic Project

1.1 Project details

Carnival Magic Project is a nighttime tourist attraction, a theme park with adaptation of Thai culture, showcasing hi-tech awe-inspiring LED lights and grand theatrical show, never before seen elsewhere in the world. It also provides guests with dinner, choices of souvenirs and various activities to enjoy in the ambience of decorated lights of intricate designs throughout the whole park. The project is designed and managed by executive management team of group companies, who have over 20-year experience in the tourism industry. It is the management team's vision to create world-class tourist attraction on a large scale that will become the new tourist attraction of Phuket and nearby provinces. The opportunity to serve increasing number of tourists from the ASEAN countries of 10 member countries with over 600 Million in population, moreover, the tourists from China and other countries travelling to Thailand. Not only that, it is a platform to create a new client base, generate higher income and profits to the group companies in the long term.

1.2 Land Details and Project Location

The land for the development of the Carnival Magic Project comprises of 2 parts, the part for the construction of Carnival Magic Project and the part for the staff house of Phuket FantaSea and Carnival Magic. The detail is as following:

1.2.1 Lands for the construction of Carnival Magic Project , approximately 82 rai consisted of

- A. Existing land of Phuket FantaSea, approximately 49 rai
- B. Newly acquired lands of Phuket FantaSea on March 2015, approximately 33 rai

1.2.2 Land for the staff house of Phuket FantaSea and Carnival Magic approximately 12 rai

Land deed	Deed's area (rai)	Utilized area (rai)	Source	Purpose of use
1359	42-3-81.8	42-3-81.8	Existing land of Phuket FantaSea	To build restaurant and lighting zone
1211	32-2-58	Approximately 6		To build entrance zone of the project
15204	8-0-77.3	8-0-77.3	Newly acquired lands of Phuket FantaSea on March 2015	To build bus parking lot
15205	25-3-15.1	25-3-15.1		To build entrance zone and shopping zone
17096	12-0-0	12-0-0		To build staff house
Total	120-2-32.7	94-3-74.7		

The existing staff house, situated on 12 rai land are a total of five 3-storey buildings with 192 accommodation rooms or 48 rooms per building, where approximately 650 employees of Phuket FantaSea resided. However, one of these buildings had to be demolished as its location was beyond the purchased land's boundary, overlapping on to the seller's remaining land. This resulted in shortage of rooms. Moreover, the four other buildings were 19 years old, which had never been renovated. The utility systems were outdated and run-

down. It was then necessary to renovate these old buildings as well as build two new 4-storey buildings with total 268 accommodation rooms that can support around 900 employees; total construction budget of THB 170 Million.

2. Value of acquired asset

Value of acquired asset consist of value of the construction, equipment for the project and performance and the lands. The detail is as following:

2.1 Project value

The value of construction and other expense including land cost as of 31 March 2017 is THB 1,497.45 Million or roughly 41.9% progress of total investment value with details as follows:

Investment cost	Budget	Amount Paid	Percentage of amount paid to Budget
1) Building Construction	1,800.00	877.45	48.75
2) Lights, electronics & Computer equipment	300.00	19.56	6.52
3) Electrical substation & generator	80.00	-	
4) Parks Decoration	300.00	-	
5) Equipment used in performance	120.00	-	
6) Labor and expert costs	130.00	31.73	24.41
7) Advertising expense	30.00		
8) Financial cost	180.00	19.20	10.67
9) Working capital and others	71.50	-	
10) Business design compensation	73.50	73.50	100.00
11) Land 45-3-93 rai	315.00	315.00	100.00
12) Construction of staff house	170.00	161.01	94.71
Total	3,570.00	1,497.45	41.95

Source : The company

As such, the payment terms shall be as specified in the contracts upon work progress and shall be fully payable at completion

2.2 Lands value

Phuket FantaSea had purchased 3 plots of land total area of 45-3-92.4 rai to be used for Carnival Magic Project from non-related third party around mid-2015 for total of THB 315 Million. Whereby Phuket FantaSea had already paid the entire amount to the third party and had acquired the legal rights to the mentioned land since 25 March 2015.

3.7 Condition for Entering into the Transaction

An investment in Carnival Magic Project is regarded as asset acquisition transaction under the Notification of Acquisition or Disposal of asset. The transaction size is equal to 103.34% of the Company's total assets and is deemed as Class 4 or Backdoor listing with transaction size equal to or higher than 100% . As a result, the Company is obliged to disclose the information memorandum in relation to the transaction to the SET and to hold the shareholders' meeting for ratification of the transaction as well as appoint an independent financial advisor (IFA) to give opinion on the transaction. The Company's Board of Directors has set the date for Extraordinary General Meeting of the Company's Shareholders on 8 September 2017 to obtain approval for ratification of the transaction.

However, the Company has reviewed and concluded that such transaction is not required for submission of an application to list securities of the Company on the SET again (Relisting) because the acquisition of the Project meets all of the conditions as prescribed under Clause 24 of the Acquisition and Disposal of Assets Notifications:

- 1) The acquired business is similar to and complements the business of the Company
- 2) The Company does not have a policy to materially change its core business
- 3) The group company, as a result of the acquisition of the project, remains qualified for listing on the SET
- 4) There will be no significant change to the Board of Directors of the Company and the control or the major shareholders having the control over the group companies

3.8 Source of Funds

Carnival Magic Project's total investment value is approximately THB 3,570 Million. The funding source shall comprise of:

- 1 Registered and paid-up capital of Carnival Magic Company Limited a total of THB 500 Million
- 2 Loan from financial institution, approved for Carnival Magic Company Limited total THB 660 Million which is not yet draw down, loan approved for Phuket FantaSea Public Company Limited total of THB 220 Million to finance the purchase of land to be used in Carnival Magic Project and loan approved for machinery and equipment purchase of THB 40 Million, grand total of THB 920 Million.
- 3 Issuance of debt instruments by group companies and/or other persons including current outstanding debt and those to be issued in the future total of around THB 2,000 Million, currently in progress of seeking such funding and negotiation with others financial institution and also studying the possibility of issue bond. The terms and conditions shall not affect dividend payout to the Company's shareholders in the future.

The loans mentioned above have condition that CM and PF need to maintain financial ratio as agreed in the loan contracts, moreover; if there are any additional debt and investment, the company need to be granted by the financial institution who lend above loans. The conditions previously mentioned might be the drawback of seeking more sources of fund. However; the management of the company are negotiating with the financial institution to adjust the loan amount and wave some conditions e.g. drawdown condition, payback condition and others to suit the increasing project cost and smoothen the

development of the project and in the process of negotiating with other financial institution. The negotiation is expected to be finalized in October 2017 and the management expect that the company will be approved loans from the financial institution. Moreover; the Company might increase its share capital from existing shareholders or new investors in case if the Company cannot borrow loans from the financial institution as the amount it expect.

- 4 Cash flow from group companies' operation approximately THB 300-500 Million in past 2013-2016. If consider with others source of fund, it is expected that the funding will be adequate to develop the project.

Regarding the funding sources for the group companies in the development of Carnival Magic Project, both Phuket FantaSea and Carnival Magic prioritize on the suitability of each company's financial structure, which the group companies have a financial obligation to maintain the debt to equity ratio.

Despite an increase in debt obligations for Carnival Magic Project, the group companies are certain that Carnival Magic Project will generate stable income and profit for the group companies as well as a potential dividend return for the Company's shareholders in the future.

Section 4 : Appropriateness of the Transaction

4.1 Objective of the Transaction

The Company has realized the importance of investing in the Carnival Magic project as the growth opportunity of domestic tourism especially in Phuket where has a potential consistency in economic growth and in tourism expansion. Due to incoming visitors to Phuket up to 12 Million visitors and expected to be 15-20 Million visitors in the next 3 – 6 years. Furthermore, the expansion of foreign investment including various billion investment projects such as luxury hotels, leading complex department stores, office buildings, halls, attractive night markets, restaurant, also, an expansion of international airport. Those investment projects obviously reflect the prosperous economic growth in Phuket. And the success of the Phuket FantaSea project which located in Phuket, the Carnival Magic has been established where is indirectly held shares by PF in which the Company hold 99.92% stake of total paid-up capital for the tourism business in the part of Theme park.

The Project where the company would invest in area of 82 Rai in Phuket, with the name of the Carnival Magic. The Project's details are briefly demonstrated as followings; the Thai cultural and Thai traditional performance throughout lighting performance, Food center, Souvenir shop center, and so on. The Company expect that the Project investment will support and strengthen the Company's performance in term of investment diversification and widely known in the tourism industry. In addition, the Company is able to utilize its strengths in term of the similar business experiences and know-how skills by leveraging its current resources including human capitals and tools for managing and operating the Project to become successful.

4.2 Advantages of the Transaction

4.2.1 The Company has experienced in the same business from the past

Currently, PF as a subsidiary of the Company is the manager of the Phuket FantaSea project which is operating in the same business that the Company is about to invest. As the Phuket FantaSea project has been operating since 1999, its selling points are presenting various Thai cultural and traditional shows through innovative light and sound performance, serving international dinner buffet, and offering nationwide Thai products and souvenirs for the visitors. From its long operating experiences of more than 18 years, it reflects that its knowledge and skill of its current resources as well as its current ready-to-use equipment of the Company will generate additional revenues and returns, also, strengthen the Company's operation from the additional investment.

4.2.2 The Company will increase its ability in revenue generation

For the Project investment, it increases the Company source of income. At present, the Company's revenue is from the operation of the Safari world project in Bangkok and the Phuket FantaSea project in Phuket which operated by PF. The revenue structure is as following:

Project	2014		2015		2016	
	THB Million	%	THB Million	%	THB Million	%
Safari world project	657.18	37.15	774.24	42.87	839.4	45.98
Phuket FantaSea project	1,111.90	62.85	1,031.76	57.13	986.07	54.02
Total	1,769.08	100.00	1,806.00	100.00	1,825.47	100.00

Source: The Company's annual report of 2016

Therefore, this investment will increase the Company's source of income from the new project which will have an increasing revenue growth for the Company in the future, also, diversifying investment in order to prevent the income risk from other projects.

4.2.3 The Company will increase its specific reputation

As the Project that the Company will invest is a large one, this might become an attractive destination in Phuket where could attract more visitors to the city and to the country. In case, this project become successful, it will contribute to the confidence of visitors to Thailand and result in increasing in Thai economy growth. Therefore, the effect will increase reputation and become better known in theme park business which is a positive effect if the company plan to invest more in the future.

4.2.4 The Project receives the investment promotion from Thailand Board of Investment (BOI)

The Project is supported by Thailand Board of Investment (BOI). As the Center for Performing Arts and Culture Act, the Project receive the privilege of according to Investment Promotion Act, A.D.1977. The examples of the privilege are Exemption of import duty on machinery, the exemption of corporate income tax on the net profit derived from the promoted business combined shall not exceed 100% of the investment which exclude land & working capital. The privilege duration is 5 years, starting from the first date of revenue generation. Moreover, the dividend from promoted businesses is exempted from corporate income tax. Eventually, the benefits receive from BOI is a tax saving for the Project based on the terms and conditions of BOI.

4.2.5 The Transaction is appropriate due to the feasibility study of the project investment

According to the feasibility study, the NPV for the Carnival Magic project is THB 831.66 Million and IRR is 10.43% per year which is higher than the Project's Weighted average cost of capital (WACC) of 7.83% per year. Thus, it is appropriate for this investment. To consider about expected return from the Project, the Equity NPV is THB 481.83 Million and the Equity IRR is 13.30% per year and it is higher than Cost of Equity (K_e) of 12.50% per year. As a result, the Carnival Magic project shows ability to generate returns which is higher than cost of capital and the cost of equity, eventually, this Transaction is appropriate in term of financial figures.

4.3 Disadvantages of the Transaction

4.3.1 The Company requires more liability result in interest burden in the future

For this Transaction, loans from financial institution is necessary as a funding source for project operation which will affect to the increase of the Company's D/E ratio and the increase of interest burden. The IFA estimates the highest Company's D/E ratio which might occur, the result is found to be at 2.35 times which is quite higher than and breach the agreement of bank's loans in which they designate the minimum D/E Ratio for each company (Please refer to details on loan agreements on Risk from breach of the covenants in loans agreement in Section 4 Page 6). However, the estimated performance from the Project is found that EBIT is higher than the expected interest expense form the Projects which shown the ability to pay debts during the estimated period (Please refer to details on summary of project's free cash flows in Section 5 Page 18). Moreover, the D/E Ratio is likely to decline steadily following the loan repayment terms & agreements with the financial institution.

4.3.2 The Company and its subsidiaries may lose their ability to incur liabilities in the future

According to loans for the Project's operation from one of the domestic financial institution, the Company and its subsidiaries is required to follow the loans conditions in the agreement to maintain Debt Service Coverage

Ratio (DSCR) and Debt to Equity Ratio (D/E Ratio), thus, the future funding from the financial institution will be considered if the fund is for new investments, or for liquidity in the future (Please refer to details on key financial ratios in Risk Factors; Risk from breach of the covenants in loans agreement).

4.3.3 The Company might lose customers for the Phuket FantaSea

As the Project operates as quite similar to the Phuket FantaSea where is located in the same area, this might affect to the loss of current customer base or the prospective customers of the Phuket FantaSea project will turn to visit the Carnival Magic project instead. Eventually, the Phuket FantaSea project will lose the market share to the Carnival Magic project which the cannibalization will occur. This would affect the estimated revenue of the Phuket FantaSea, and would affect the overall operation of the Company. However, according to the Company's management interview, both projects are different programs. The Phuket FantaSea project is programmed for the specific performance, while the Carnival Magic project is a theme park project which is focus on sightseeing in the park. In addition, the Company's management state that there is policies to have Bundling sale to attract the customers to visit both projects, also, to clarify the Market positioning of both projects for clear marketing strategy and in order to determine the clear target customers of each projects.

4.4 Risk Factors

4.4.1 Risk from the construction delay

As the Project investment expansion, the Company has planned to launch the Project within mid of 2019 which is extended from the previous launch in 2017 after the resolution of investment expansion. The construction has started since 2015 which account for 3 years and 6 months, as of 31 March 2017. The progression of the Project construction and the other expense is THB 1,497.45 Million which account for 41.95% of the Project and 48.75% of the building construction, respectively. However, the past construction delay of the Carnival Magic incurred from revising the main construction plan of restaurant and theatre to be bigger in order to serve more visitors. The examples of the revision plans are increasing floor plan from 1 floor to 3 floors and increasing the length and height of the theatre stage which requires grounding process to support new building structure to be more stable and stronger base. Later, the Company has the resolution for investment expansion in order to complete facilities of the Project to attract more visitors (Please consider the original and new construction plan in Section 3.4; Nature of the Transaction), so that the Company has adjusted its plan of the Project as below:

Scope of Work	2015	2016				2017				2018				2019	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Business Design															
Building and System Construction															
Architecture and Decoration															
Show Technique															
Product and Install Show Equipment															
Install Light for Show															
Show Test															
Open for Services															

As the Project is a huge project and take longer period for the construction, this might result in the construction delay risk which might from construction problems, or risk from natural factors such as heavy rain, flooding, etc. Those would prolong the process in construction and material preparation and would affect to

performance and financial status of the Company. However, the Company has already signed contract with the contractor, thus, if the construction delays, the Company is able to claim the loss from the contractor under the construction contract.

4.4.3 Risk from an abandonment of construction from the contractors

Carnival Magic Project has the total value of construction approximately of THB 1,810.05 Million, comprising of total construction value (only) of THB 984.53 Million and total construction equipment value of THB 825.52 Million. The contractor and construction equipment provider are Tiger Construction 1 Co., Ltd. and Tiger Product Co., Ltd. in which they have no relationship with main shareholders, directors and management of the Company and its subsidiary companies as stated in the Notifications on Connected Transaction, as per the IFA's inspection. In this regard, Construction 1 Co., Ltd. and Tiger Product Co., Ltd. have their registered capital of THB 5 Million per company. As such, the Company engages the risk that the contractors may abandon the project construction as they may don't have sufficient working capital to support the project with the total value of THB 1,810.05 Million.

Contractors	Registered year	Registered Capital (THB)	Duty	Construction value (THB Million)
Tiger Construction 1 Co., Ltd.	2011	5,000,000	Construction of building and utility system	984.53
Tiger Product Co., Ltd.	2013	5,000,000	Providing construction equipment	825.52
Total				1,810.05

Nevertheless, the board of directors of PF and CM considered the appropriateness in order to appoint Tiger Construction 1 Co., Ltd. and Tiger Product Co., Ltd. based on their previous experiences. In this regard, their technical persons were in the team who managed the construction project of Phuket FantaSea project in the past 20 years so that they typically understand building construction system, have a reliability to maintain the business secret of the Company and have been trusted by leading local architecture companies as the contractor for various construction projects. In addition, as the Carnival Magic project is specific theme park project, each stage of the construction requires a person who has experience in this field in order not to cause any errors, leading to damage and delays on the construction. The management and board of directors of PF and CM chose to select the contractors based on their past working experience. In this regard, for the issue of relatively low amounts of registered capital of both companies, it was attributable to the situation that the group of shareholders and teammate in the company, which engaged in the Phuket FantaSea project, registered Tiger Construction 1 Co., Ltd. and Tiger Product Co., Ltd. and intended to use both companies to get in the Carnival Magic project due to their cost management purpose. As such, this may not affect the construction process and the abandonment risk since both companies have no obligation to reserve their cash to purchase any additional materials and equipment for the construction in which CM will pay in advance to Tiger Construction 1 Co., Ltd. in a portion and then pay the remaining amount by the installment according to the contract which will be align with the success rate of the construction. In case of Tiger Product Co., Ltd., CM will pay by the installment as agreed in the contract for Tiger Product Co., Ltd. to procure the construction material such as steel in which one

of the supplier of Tiger Product Co., Ltd. issued the letter to Tiger Product Co., Ltd. to fix the price of the steel and some of the construction material where the letter is still effective.

4.4.3 Risk from decrease of number of tourists

The revenue growth for Carnival Magic project mainly depends on the number of tourists who visit Phuket as the project specifically attract the tourists so that if the number of tourists traveling to Phuket decrease, it may result in the revenue on Carnival Magic project will be deviated from the estimation and this may affect the Company's performance and financial position. Such factors are beyond the control of the Company and also the precise prediction of the number of tourists in the future may be difficult because there are other unpredictable factors which may affect such event, such as, natural disasters, political and economics, etc. Nevertheless, the Company has well-established experience in this business, including human resources and operational tools. Hence, if the adverse events occur in the future, the Company will focus on the marketing plan, and the projection of the performance and financial status of the Company at that time closely to formulate a business strategy so on.

According to the Bank of Thailand and the Department of Tourism, the numbers of tourists visiting Phuket have been continuously increased. In 2013-2015, Phuket has a number of tourists, ranging from 11.96 to 13.31 Million people, and the traveling cost per person per day is THB 5,639-6,143 as illustrated in the table below (Please refer to Attachment 1 for Phuket Tourist Statistics).

Details	2009	2010	2011	2012	2013	2014	2015	2016p
Number of visitors	3,375,931	5,471,218	9,467,248	10,789,647	11,960,044	11,958,603	13,203,284	13,306,465
Thai	887,365	965,192	2,844,472	3,233,542	3,564,123	3,499,187	3,714,328	
Foreigner	2,488,566	4,506,026	6,622,776	7,556,105	8,395,921	8,459,416	9,488,956	13,306,465
Average visiting period (Days)	5.99	4.26	4.33	4.46	4.02	3.89	4.02	
Thai	3.96	2.88	2.98	3.00	2.87	2.74	2.70	
Foreigner	6.62	4.52	4.90	5.06	4.49	4.35	4.51	
Average spending cost (THB/person/day)	4,187	4,897	4,828	4,964	5,639	5,806	6,143	
Thai	2,835	2,868	3,118	3,279	3,819	3,992	4,244	
Foreigner	4,552	5,155	5,266	5,386	6,126	6,238	6,442	

4.4.4 Risk from the volatility of interest rate

Carnival Magic project investment is partly financed from loans from local financial institutions and/or other individuals, including the issuance and offering of debt securities, totaling THB 2,920 Million. In this regard, considering to loans from domestic financial institution only at approximately of THB 1,930 Million, the interest rate will be specified at a Floating Interest Rate at the MLR - 0.15%, in which it equals to 6.10% (Reference is made on 8 November 2016 with the Minimum Loan Rate of 6.25% at that time). As such, the change in the interest rate, the financial institution may adjust the spread of interest rate to increase or decrease under the loan agreement so that the Company engages in the risk from the volatility of interest rate.

4.4.5 Risk from breach of the covenants under loan agreements

Currently, the Company, Phuket FantaSea, and CM engage the loans from local financial institution in which there are the conditions that these companies will have to maintain their financial ratios as stated in the loan agreements. The details of the above financial conditions are as follows.

Party	Conditions	Inspection
Company	<p><u>DSCR</u></p> <p>Not less than 1.05 times, calculated from earnings before interest, tax, depreciation and amortization, the expenses to maintain the assets in working condition, and the expenses to acquire new assets to replace existing assets, divided by the portion of long-term liabilities due in the period and interest from long and short term debts.</p> <p><u>D/E Ratio</u></p> <p>Not more than 1 times, calculated from total liabilities subtracted from loans from directors/ affiliated companies, divided by shareholders' equity including loans from directors/affiliated companies as a part of equity. D/E Ratio must not be less than zero.</p> <p><u>Additional debts</u></p> <p>The borrowings with financial institutional and/or the issuance of debt instruments by the amount exceeding THB 50.00 Million must be approved by the bank.</p>	Quarterly
PF	<p><u>DSCR</u></p> <p>Not less than 1.1 times, calculated from earnings before interest, tax, depreciation and amortization, the expenses to maintain the assets in working condition, and the expenses to acquire new assets to replace existing assets, divided by the portion of long-term liabilities due in the period and interest from long and short term debts.</p> <p><u>D/E Ratio</u></p> <p>Not more than 1.5 times, calculated from total liabilities subtracted from loans from directors/ affiliated companies, divided by shareholders' equity including loans from directors/affiliated companies as a part of equity. D/E Ratio must not be less than zero.</p>	Quarterly
CM	<p><u>DSCR</u></p> <p>Not less than 1.1 times, calculated from earnings before interest, tax, depreciation and amortization, the expenses to maintain the assets in working condition, and the expenses to acquire new assets to replace existing assets, divided by the portion of long-term liabilities due in the period and interest from long and short term debts.</p> <p><u>D/E Ratio</u></p> <p>Not more than 1 times, calculated from total liabilities subtracted from loans from directors/ affiliated companies, divided by shareholders' equity including loans from directors/affiliated companies as a part of equity. D/E Ratio must not be less than zero.</p> <p><u>Additional debts</u></p>	Quarterly

Party	Conditions	Inspection
	The borrowings with financial institutional and/or the issuance of debt instruments by the amount exceeding THB 50.00 Million must be approved by the bank.	

The Company and its subsidiaries must obtain the consent from such financial institution if they have to engage in any debt to any financial institution and/or issue any type of debt securities for the total value of more than THB 50.00 Million. In the case that CM cannot comply with the conditions in the loan agreement, the financial institution may suspend CM from the withdrawal of loans which it CM may have insufficient capital to support the construction of the project and it may affect the performance and financial position of CM in the future.

In addition, as the Company and Phuket FantaSea provide financial supports to CM in the Carnival Magic project, if the Company and Phuket FantaSea cannot comply with the conditions under the loan agreement, it may also affect the liquidity and the financial supports on the project and it may affect the performance and financial position of CM in the future. In this regard, if each of the Company and its subsidiaries defaults, there are cross default condition applied to these three companies so that the Company and its subsidiaries' credit facilities might be seized or called back by the bank immediately.

As at 31 March 2017, the Company and its two subsidiaries have the financial ratios complying with the terms and conditions stated in the loan agreements. In this regard, the Company and its subsidiaries will operate its businesses on the appropriate capital structure which is beneficial for the Company and its shareholders and will comply with the conditions set forth in the loan agreements strictly and fully in order not to breach any financial condition as stated above to enable the construction process of Magic Carnival project being constructed smoothly and continuously. However, the Company and its subsidiaries may occasionally negotiate with the financial institution for a waiver of conditions in the event that the Company and its subsidiaries fail to comply with such conditions in the future with force majeure.

4.4.6 Risk from insufficient funding procurement

The Company may engage the risk of not being able to procure enough funding for Magic Carnival project development due to the conditions under the loan agreements that it must obtain the consent from the financial institution for any additional debts with other financial institutions and/or an issuance of any debt securities for the normal operation with the value of more than THB 50 Million. In this regard, the Company plans to use source of funds from financial institutions and/or other individuals, including the issuance and offering of other debt securities totaling THB 2,000 Million to finance the project investment. If the financial institution does not agree the consent on the additional debts, the Company may not have the sufficient funds to support the Carnival Magic project.

The management of the Company has a plan to negotiate with the financial institution to increase the credit facility and amend the conditions with the existing debtor, e.g. drawdown and conditions related to increased project cost, to make sure that the Project will be smoothly and continuously run. The management also in the process of the negotiation with other financial institutions to obtain additional loans. It is anticipated that the results from the negotiation will be realized within October 2017. The Company's management expects that the Company is likely to receive the approval from such financial institution.

In addition, the Company may increase its registered capital from the existing shareholders and/or new shareholders in the future in case of being unable to obtain the loans from other financial institutions to meet the required amount for the Carnival Magic project.

4.4.7 Risk from the ratification being not made by the shareholders

In the event that the shareholders do not ratify the Transaction, the Company will have to terminate the construction contract as the contractors have already been engaged in the construction partly, and also terminate the purchase of equipment related to the construction and implementation of Carnival Magic project. Not only those sinking costs of THB 1,497.45 Million will occur to the Company, the Company will lose its credibility to the contractors and vendors and this will lead the company to enter into other transactions in the future more difficult. Moreover, the Company may also be sued by the counterparties. At present, the contractor and equipment purchasing values, under the name of CM and PF, has total values of 1,852.99 Million and THB 215.00 Million, respectively. The values include the construction of employee dormitory and substation.

If the shareholders do not ratify the Transaction, the IFA views that the Company will be affected by the fact that CM will not be able to continue the Carnival Magic project as planned by the Company's management. The IFA estimates the maximum damage to the Company by taking into account all investments in the Carnival Magic project as the details are as follows.

Details	The value of the investment already paid (THB Million)
8. Building	877.45
9. Lamps, electrical equipment and computers	19.56
10. Wage and technical expert	31.73
11. Interest	19.20
12. Architecture	73.50
13. Land of 45-3-93 Rai	315.00
14. Staff accommodation buildings	161.01
Total	1,497.45

From the above table, it can be seen that if the shareholders do not ratify the Transaction, the Company will be damaged by THB 1,497.45 Million and all of the construction project will not be able to be adjusted as per the existing budget and the Project shall not run as it is still incomplete. Moreover, the Company may have to be responsible for any fines for the cancellation of all construction contracts. Currently the total value of the construction contracts and construction material contract of CM are THB 1,852.99 Million and there are also THB 215.00 Million for the staff house construction and substation by PF.

4.5 **Advantages of Non-Entry to the Transaction**

4.5.1 The Company will not have additional interest bearing debts and not bear interest payments

For the investment in Carnival Magic project, the Company engaged in loans from a local financial institution for building construction and working capital. If the company decides not to enter into the Transaction, the Company will have no need to borrow and this will result in a constant debt to equity ratio and the Company will have no additional interest payments in the future.

4.5.2 The Company will not be exposed to any investment risk for this project

If the Company decides not to enter into this Transaction, the Company will not bear the risk from the investment in Carnival Magic project as stated in Clause 4.4.

4.5.3 The Company will maintain its ability to incur additional liabilities

If the Company decides not to enter into this Transaction, the Company will still have its working capital and will continue to be able to incur additional liabilities from applying for a loans with financial institutions since there is no increase in debt to equity ratio. This will benefit the Company in case that the Company desires to invest in other projects, in the future, which may have more competitive returns and risks than Carnival Magic project.

4.6 Disadvantages of Non-Entry to the Transaction

4.6.1 The Company will lose the opportunity to invest in Carnival Magic project

If the Company decides not to enter into this Transaction, the Company will lose the opportunity to increase source of revenue and also the opportunity to generate returns on Magic Carnival project in which it is feasible to invest with the internal rate of return of 10.43% compared to the cost of capital of 7.83%. In addition, the Company will lose the opportunity to be widely known as Magic Carnival project is large in which it may help drive the domestic tourism industry.

4.6.2 The Company shall take the time to consider investing in other projects

If the Company decides not to enter into this Transaction, the Company may have to seek for other projects to invest in order to improve the company's performance so that the opportunity cost will be incurred if the Transaction is denied. In addition, the other projects that the Company considers in the future may provide lower returns and/or higher risks in which it reduces the worthiness of future investments.

4.6.3 The Company has to cancel the construction contract and related orders

If the Company decides not to enter into this Transaction, the Company will have to cancel the construction contracts since the contractors have been already engaged in the construction of Magic Carval project partly. In addition, the Company will have to cancel the purchasing order of equipment related to the construction and implementation of Magic Carnival project. In addition to the company. Not only those sinking costs will occur to the Company, the Company will lose its credibility to the contractors and vendors and this will lead the company to enter into other transactions in the future more difficult. Moreover, the Company may also be sued by the counterparties.

4.7 Summary of IFA's Opinion

Based on the risk factors, advantages and disadvantages of entering into the transaction and not entering into the transaction as mentioned above, the IFA considers that the investment in the Carnival Magic project will help the Company increases source of revenue, diversifies the business risk, based on the experience of current employees and operational tools of the Company, expected that the Company will have better performance from this. Nevertheless, the shareholders may have to consider the disadvantages of entering into the transaction, for example, the cannibalization effect, and the investment risk, such as delay in the construction, decrease of number of tourists and the conditions under loan agreements.

From the above reasons, the IFA considers that **the Transaction is reasonable and the Company's shareholders should ratify the Transaction.**

Part 5: Opinion of the Independent Financial Advisor regarding the suitability of acquired asset value

This part aims to review the reasonableness of entering into the transaction regarding asset acquisition from investment in Carnival Magic Project, which is the new theme park of the company in Phuket Province, with increasing asset value from THB 1,450 Million to not greater than THB 3,570 Million. This investment will serve the company to pace up with the market competition and will create long term benefit to the company. Nevertheless, this project will provide company the competitive advantage in the travel industry, as well will also support the company to be the international travel industry leader, and will finally create highest income in the future.

After the Independent Financial Advisor (“IFA”) has considered the feasibility of Carnival Magic Project in order to review the reasonableness and suitability of investment in Carnival Magic Project, we have evaluated the return on investment of the project using :

- 1) Net Present Value (NPV) for the project and shareholders,
- 2) Project IRR and Equity IRR

As for the projection of free cash flow to Carnival Magic Project and equity, the IFA has prepared a projection based on information from management interview regarding the investment structure, investment plan, operation plan, statistic information of Phuket Fantasy Project which is another company’s project located nearby the Carnival Magic Project, Phuket’s industrial conditions, and Thailand’s overall industrial and economic conditions, including relevant documents. Moreover, the IFA has conducted a study and analysis of the reliability and reasonableness of assumptions provided by interviews of the company’s executives and revised some assumptions based on a conservative basis.

The IFA has therefore prepared the projection of free cash flow to the Carnival Magic Project for 12 years, with period from year 2017 to 2028, expecting that the Carnival Magic Project’s construction will be completed and open for service on 2019. Details of significant assumptions for the projection are as follows:

5.1 Significant assumptions

Assumptions of Revenue

1. No. of visitors per year

The IFA has estimated the number of visitors year 2019 based on Phuket Fantasy’s statistic figure as of year 2016 of 675,000 visitors per annum. Additionally, the management has planned that the company will bundle sell the tickets for these 2 projects (Phuket Fantasy Project and Carnival Magic Project) in order to attract visitors. Carnival Magic Project is a new designed project for night theme park entertainment, which concentrating on the high tech light show. The project has applied Thai culture together with LED show, providing the show to be more elegant and outstanding. Market positioning of Carnival Magic Project significantly differs from Phuket Fantasy Project given that Carnival Magic Project has innovative grand theatre, together with decoration of electric light with applied Thai culture around the project. As a result, Carnival Magic Project will by far attract more visitors. Applying conservative basis, the IFA has estimated the growth rate of 4.76% per annum throughout

the projection, which is lower than 5-year Compound Annual Growth Rate (CAGR) of Phuket Province Visitors year 2010-2015 of 19.27% per annum. The number of visitors of Carnival Magic Project year 2019 is estimated to be 776,051 visitors per annum. However, Carnival Magic Project is expected to open on the second half of year 2019, thus, the IFA estimates that the visitor of Carnival Magic Project would be total of 388,025 visitors (50% of the per annum figure). The estimated number of visitors per years are less than the figures expected by the management given that the estimation is based on the conservative basis. According to the management expectation, number of visitors will be at least equal to 8% of 5-year historical Phuket's tourist which equivalent to 979,489 visitors per annum.

The growth assumption mentioned above might not consist with the revenue from the ticket of Phuket FantaSea project which has no growth in past 3 years from 2014-2016 (Please see the additional detail in the financial statement of PF in attachment 3 page 4) due to the several factors effect directly to tourism. In 2014, there were the coup and launched of martial laws. In 2015, there were terror bomb at Rajchprasong junction, devaluation of RMB which effect directly to Chinese tourists who are major visitors of Phuket and the downgrade of Thai aviation from International Civil Aviation Organization (ICAO). In 2016, there were the suppress of zero cost tour from Chinese government, the increase of inbound tourist visa fee from THB 1,000 to THB 2,000 and the entertainment tone down of mourning in the last quarter of 2016. However; the management expects that before the Carnival Magic Project start the operation in 2019, the political circumstance will be stable including the stabilization of Chinese and Russia tourists.

Unit : person per year

	2012	2013	2014	2015	2016	Average
Phuket's tourist	10,789,647	11,960,044	11,958,603	13,203,284	13,306,465	12,243,609
Compound Annual Growth Rate 2010- 2015 (% CAGR)	19.27 %					
Number of visitors per year, according to Management expectation (8% of Phuket's tourist)	863,172	956,804	956,688	1,056,263	1,064,517	979,489

Source: Company and Ministry of Tourism & Sports

Estimated Year No.	Year	No. of visitors (person per year)	Growth (%)
	2016	675,000	4.76%
	2017	707,130	4.76%
	2018	740,789	4.76%
1	2019	388,025 (50% of 776,051)	4.76%
2	2020	812,959	4.76%
3	2021	851,623	4.76%
4	2022	892,125	4.76%
5	2023	934,554	4.76%

Estimated Year No.	Year	No. of visitors (person per year)	Growth (%)
	2016	675,000	4.76%
	2017	707,130	4.76%
	2018	740,789	4.76%
6	2024	979,001	4.76%
7	2025	1,025,561	4.76%
8	2026	1,074,336	4.76%
9	2027	1,125,430	4.76%
10	2028	1,178,955	4.76%

2. Ticket price and Ticket Revenue

The IFA estimates a ticket price of THB 1,250 for the first year. The ticket price is the net price from other revenues and expenses, such as food and beverage revenue, souvenir revenue, photography revenue, transportation service revenue, and other expenses which are to be added to the ticket price. Growth rate of ticket price is estimated at 5% every 3 years based on the expectation of the Management team. Even though the estimate is not aligned with Phuket Fantasy figure which is decreasing in year 2016 (refer Statement of Comprehensive Income, attachment 3 page 4), the IFA has considered that the estimate is appropriate, given that Phuket Fantasy has already opened for sometimes whereby Carnival Magic Project which will open in year 2019 will by far attract more visitors.

Summary of Carnival Magic Project's Ticket Price during the projection

Year No.	No. of visitors per year	Ticket price (THB)	Ticket Revenue (THB Million)
1	388,025	1,250	485.03
2	812,959	1,250	1,016.20
3	851,623	1,250	1,064.53
4	892,125	1,313	1,170.91
5	934,554	1,313	1,226.60
6	979,001	1,313	1,284.94
7	1,025,561	1,378	1,413.35
8	1,074,336	1,378	1,480.57
9	1,125,430	1,378	1,550.98
10	1,178,955	1,447	1,705.98

3. Food and Beverage Revenue

IFA estimates food and beverage revenue based on year 2016 Phuket Fantasy's statistic number of food and beverage revenue per visitor of THB 268 which is less than 5-year Phuket Fantasy's historical (year 2012 – 2016) figures at a rate of THB 282 per visitor, provided that the estimation is on conservative basis. The IFA has assumed on a conservative basis and set the assumption of growth rate of 2.50% per annum which is less

than the management expectation on using historical Phuket Fantasy's 5-year growth rate (year 2012 – 2016) of food and beverage revenue at a rate of 4.14 % per annum.

Even though the estimate is not aligned with Phuket Fantasy figure which is decreasing in year 2014-2016 (refer Statement of Comprehensive Income, attachment 3 page 4), the IFA has considered that the estimate is appropriate, given that Phuket Fantasy has already opened for some times whereby Carnival Magic Project is a new project which will open in year 2019. Additionally, assumption on per visitor growth rate of food and beverage revenue is 2.50% per annum, which is less than 25-year inflation historical rate of 3.04% per annum.

Summary of Carnival Magic Project's Food and Beverage Revenue during the projection

Year No.	No. of visitors per year	Food and Beverage Revenue (THB per person)	Food and Beverage Revenue (THB Million)
1	388,025	268.00	103.99
2	812,959	274.70	223.32
3	851,623	281.57	239.79
4	892,125	288.61	257.47
5	934,554	295.82	276.46
6	979,001	303.22	296.85
7	1,025,561	310.80	318.74
8	1,074,336	318.57	342.25
9	1,125,430	326.53	367.49
10	1,178,955	334.70	394.59

4. Souvenir Revenue

IFA estimates souvenir revenue based on 5-year Phuket Fantasy's historical figure (year 2012 – 2016) of souvenir revenue per visitor which is equivalent to THB 120 per visitor. Growth rate of souvenir revenue per visitor is estimated at 0.50 % per year which is less than the management expectation on using historical Phuket Fantasy's growth rate year 2012 – 2015 (excluding growth rate of year 2016 due to significant decrease of souvenir revenue compared to year 2012-2015 as a result of economic and Phuket tourism condition) of souvenir revenue at a rate of 2.45 % per annum per visitor.

Even though the estimate is not aligned with Phuket Fantasy figure which is decreasing in year 2014-2016 (refer Statement of Comprehensive Income, attachment 3 page 4), the IFA has considered that the estimate is appropriate, given that Phuket Fantasy has already opened for sometimes whereby Carnival Magic Project is a new project which will open in year 2019. Additionally, assumption on per visitor growth rate of souvenir revenue is 0.50% per annum, which is less than 25-year inflation historical rate of 3.04% per annum.

Summary of Carnival Magic Project's Souvenir Revenue during the projection

Year No.	No. of visitors per year	Souvenir Revenue (THB per person)	Souvenir Revenue (THB Million)
1	388,025	120.00	46.56

Year No.	No. of visitors per year	Souvenir Revenue (THB per person)	Souvenir Revenue (THB Million)
2	812,959	120.60	98.04
3	851,623	121.20	103.22
4	892,125	121.81	108.67
5	934,554	122.42	114.41
6	979,001	123.03	120.45
7	1,025,561	123.65	126.81
8	1,074,336	124.26	133.50
9	1,125,430	124.88	140.55
10	1,178,955	125.51	147.97

5. Photography Revenue

The IFA estimated photography revenue at the rate of THB 63 per visitor throughout the projection, with reference to 5-year Phuket Fantasy's historical (year 2012 – 2015) figures at a rate of THB 63 per visitor. The estimation excludes year 2016 figure due to significant decrease of photography revenue compared to year 2012-2015 as a result of economic and Phuket tourism condition)

Even though the estimate is not aligned with Phuket Fantasy figure which is decreasing in year 2015 (refer Statement of Comprehensive Income, attachment 3 page 4), the IFA has considered that the estimate is appropriate, given that Phuket Fantasy has already opened for sometimes whereby Carnival Magic Project is a new project which will open in year 2019. Additionally, Phuket Fantasy Project's photography revenue per visitor increases in year 2016, whereby there is no incremental on Carnival Magic Project's photography revenue.

Summary of Carnival Magic Project's Photography Revenue during the projection

Year No.	No. of visitors per year	Photography Revenue (THB per person)	Photography Revenue (THB Million)
1	388,025	63.00	24.62
2	812,959	63.00	51.58
3	851,623	63.00	54.03
4	892,125	63.00	56.60
5	934,554	63.00	59.29
6	979,001	63.00	62.11
7	1,025,561	63.00	65.06
8	1,074,336	63.00	68.16
9	1,125,430	63.00	71.40
10	1,178,955	63.00	74.80

6. Transportation Service Revenue

The IFA has applied Carnival Magic Project's transportation service revenue at a rate of THB 300 per visitor throughout the projection. The assumption is based on management expectation with reference to the transportation fee established by the company's management team. Applying conservative basis, the IFA has accountable for the assumption that visitor will use one round of transportation, thus, estimated that there will be 10% of Carnival Magic Project's visitors using transportation service.

Therefore, the IFA does not base the number on management expectation using Phuket Fantasy Figure that 30% of visitors will use Carnival Magic's transportation service.

Summary of Carnival Magic Project's Transportation Service Revenue during the projection

Year No.	No. of visitors per year	Visitors using transportation service per annum (10% of visitors)	Transportation Service Revenue (THB per person)	Transportation Service Revenue (THB Million)
1	388,025	38,803	300.00	11.64
2	812,959	81,296	300.00	24.39
3	851,623	85,162	300.00	25.55
4	892,125	89,213	300.00	26.76
5	934,554	93,455	300.00	28.04
6	979,001	97,900	300.00	29.37
7	1,025,561	102,556	300.00	30.77
8	1,074,336	107,434	300.00	32.23
9	1,125,430	112,543	300.00	33.76
10	1,178,955	117,895	300.00	35.37

Summary of Carnival Magic Project's yearly revenue during the projection

Unit : THB Million

Year No.	Ticket Revenue	Food and Beverage Revenue	Souvenir Revenue	Photography Revenue	Transportation Revenue	Total Revenue
1	485.03	103.99	46.56	24.62	11.64	671.84
2	1,016.20	223.32	98.04	51.58	24.39	1,413.53
3	1,064.53	239.79	103.22	54.03	25.55	1,487.12
4	1,170.91	257.47	108.67	56.60	26.76	1,620.42
5	1,226.60	276.46	114.41	59.29	28.04	1,704.80
6	1,284.94	296.85	120.45	62.11	29.37	1,793.72
7	1,413.35	318.74	126.81	65.06	30.77	1,954.73
8	1,480.57	342.25	133.50	68.16	32.23	2,056.71
9	1,550.98	367.49	140.55	71.40	33.76	2,164.19
10	1,705.98	394.59	147.97	74.80	35.37	2,358.71

Assumption of Costs**1. Cost of Ticket**

The IFA has estimated the Carnival Magic Project's ticket cost throughout the projection at 24.88% of Phuket Fantasy's ticket cost per income year 2014. On a conservative basis, the IFA does not use 5-year Phuket Fantasy's average historical ticket cost (year 2012-2016) which is 21.51%.

Summary of Carnival Magic Project's yearly Ticket Cost during the projection

Year No.	Ticket Revenue (THB Million)	Cost Proportion	Project's Ticket Cost (THB Million)
1	485.03	24.88%	120.68
2	1,016.20	24.88%	252.83
3	1,064.53	24.88%	264.85
4	1,170.91	24.88%	291.32
5	1,226.60	24.88%	305.18
6	1,284.94	24.88%	319.69
7	1,413.35	24.88%	351.64
8	1,480.57	24.88%	368.37
9	1,550.98	24.88%	385.88
10	1,705.98	24.88%	424.45

2. Cost of Food and Beverage

The IFA has assumed Carnival Magic Project's food and beverage cost on a conservative basis. Thus, instead of using 5-year Phuket Fantasy average historical food and beverage cost (year 2012-2016) of 71.08%, the assumption is based on Phuket Fantasy's food and beverage cost of 79.62% as of year 2016 throughout the projection.

Summary of Carnival Magic Project's yearly Food and Beverage Cost during the projection

Year No.	Food and Beverage Revenue (THB Million)	Cost Proportion	Project's Food and Beverage Cost (THB Million)
1	103.99	79.62%	82.80
2	223.32	79.62%	177.81
3	239.79	79.62%	190.92
4	257.47	79.62%	205.00
5	276.46	79.62%	220.12
6	296.85	79.62%	236.35
7	318.74	79.62%	253.78
8	342.25	79.62%	272.50
9	367.49	79.62%	292.59
10	394.59	79.62%	314.17

3. Cost of Souvenir

The IFA has assumed Carnival Magic Project's souvenir cost on a conservative basis. Thus, instead of using 5-year Phuket Fantasy average historical souvenir cost (year 2012-2016) of 62.04%, the assumption is based on Phuket Fantasy's souvenir cost of 66.57% as of year 2015 throughout the projection.

Summary of Carnival Magic Project's yearly Souvenir Cost during the projection

Year No.	Souvenir Revenue (THB Million)	Cost Proportion	Project's Souvenir Cost (THB Million)
1	46.56	66.57%	31.00
2	98.04	66.57%	65.27
3	103.22	66.57%	68.71
4	108.67	66.57%	72.34
5	114.41	66.57%	76.16
6	120.45	66.57%	80.18
7	126.81	66.57%	84.41
8	133.50	66.57%	88.87
9	140.55	66.57%	93.56
10	147.97	66.57%	98.50

4. Cost of Photography

The IFA has estimated the Carnival Magic Project's Photography cost throughout the projection at 93.74% of Phuket Fantasy's photography cost year 2014. On a conservative basis, the IFA does not use Phuket Fantasy's 5-year average historical ticket cost (year 2012-2016) which is 77.75%.

Summary of Carnival Magic Project's yearly Photography Cost during the projection

Year No.	Photography Revenue (THB Million)	Cost Proportion	Project's Photography Cost (THB Million)
1	24.62	93.74%	23.08
2	51.58	93.74%	48.35
3	54.03	93.74%	50.65
4	56.60	93.74%	53.06
5	59.29	93.74%	55.58
6	62.11	93.74%	58.22
7	65.06	93.74%	60.99
8	68.16	93.74%	63.89
9	71.40	93.74%	66.93
10	74.80	93.74%	70.11

5. Cost of Transportation Service

The IFA has assumed Carnival Magic Project's transportation service cost on a conservative basis. Thus, instead of using 5-year Phuket Fantasy average historical transportation service cost (year 2012-2016) of 56.91%, the assumption is based on Phuket Fantasy's transportation service cost of 79.47% as of year 2016 throughout the projection.

Summary of Carnival Magic Project's yearly Transportation Service Cost during the projection

Year No.	Transportation Service Revenue (THB Million)	Cost Proportion	Project's Transportation Service Cost (THB Million)
1	11.64	79.47%	9.25
2	24.39	79.47%	19.38
3	25.55	79.47%	20.30
4	26.76	79.47%	21.27
5	28.04	79.47%	22.28
6	29.37	79.47%	23.34
7	30.77	79.47%	24.45
8	32.23	79.47%	25.61
9	33.76	79.47%	26.83
10	35.37	79.47%	28.11

6. Cost of Utilities

The IFA assumed that Carnival Magic Project's utilities cost will be 3 times Phuket Fantasy Project utilities cost in year 2015 at THB 51.79 Million, which is equivalent to THB 155.38 Million. The assumption is based on the management and company's engineer team estimation that Carnival Magic Project is 3 times bigger than Phuket Fantasy Project. The management and company's engineer team are specialists who have 20 years of experience in Phuket Fantasy Project, which provide services similar to Carnival Magic Project. Moreover, these personnel knows the project layout very well comparing to the outsiders. The IFA has considered that the estimate is appropriate due to several reasons mentioned above which is the only single source that the IFA is able to access to. In addition, IFA has estimated utilities cost of 50% on the first year based on an assumption that Carnival Magic Project will be opened on the second half of year 2019. Additionally, assumption on growth rate of utilities cost per visitor is 3.04% per annum throughout the projection based on 25-year inflation historical rate. On a conservative basis, 5-year historical rate (year 2012-2016) of Phuket Fantasy Project's utilities cost of THB 48.55 Million is not used for this assumption.

Summary of Carnival Magic Project's yearly Utilities Cost during the projection

A.D.	Year No.	Phuket Fantasy's Utilities Cost (THB Million)	Project's Utilities Cost (THB Million)	Growth Rate
2015		51.79	155.38	

A.D.	Year No.	Phuket Fantasy's Utilities Cost (THB Million)	Project's Utilities Cost (THB Million)	Growth Rate
2016		53.37 (2016)	160.10	3.04%
2017		54.99 (2017)	164.97	3.04%
2018		56.66 (2018)	169.99	3.04%
2019	1		87.58 (50% of 175.15)	3.04%
2020	2		180.48	3.04% (comparing to 175.15)
2021	3		185.97	3.04%
2022	4		191.62	3.04%
2023	5		197.44	3.04%
2024	6		203.45	3.04%
2025	7		209.63	3.04%
2026	8		216.00	3.04%
2027	9		222.57	3.04%
2028	10		229.34	3.04%

Summary of Carnival Magic Project's yearly cost during the projection

Unit : THB Million

Year No.	Ticket Cost	Food and Beverage Cost	Souvenir Cost	Photography Cost	Transportation Service Cost	Utilities Cost	Total Cost
1	120.68	82.80	31.00	23.08	9.25	87.58	354.38
2	252.83	177.81	65.27	48.35	19.38	180.48	744.11
3	264.85	190.92	68.71	50.65	20.30	185.97	781.40
4	291.32	205.00	72.34	53.06	21.27	191.62	834.61
5	305.18	220.12	76.16	55.58	22.28	197.44	876.76
6	319.69	236.35	80.18	58.22	23.34	203.45	921.24
7	351.64	253.78	84.41	60.99	24.45	209.63	984.91
8	368.37	272.50	88.87	63.89	25.61	216.00	1,035.25
9	385.88	292.59	93.56	66.93	26.83	222.57	1,088.38
10	424.45	314.17	98.50	70.11	28.11	229.34	1,164.68

Assumptions of Expenses

1. **Administrative Expenses** include staff related expenses, depreciation and amortization expenses, and other administrative expenses, with details as follows:
 - 2.1 **Staff Expense** includes salary, other welfares on total benefits paid to staff excluding annual bonus and executive compensation. Carnival Magic Project's staff is estimated to be 1,000 persons, which is 70.18% of Phuket Fantasy Project's staff of 1,425. The assumption is based on management estimation who knows the project layout very well, and who has 20 years of experience in Phuket Fantasy Project,

which provide services similar to Carnival Magic Project. The estimation is on assumption that Carnival Magic Project does not require the same amount of staff as Phuket Fantasy Project which mostly concentrated on the staff performance. The IFA has considered that the estimate is appropriate due to several reasons mentioned above. Thus, the IFA has estimated that staff expense of Carnival Magic Project (excluding staff annual bonus and executive compensation) is 70.18% of Phuket Fantasy Project's staff expense (excluding staff annual bonus and executive compensation). Additionally, assumption on growth rate is 5.00% per annum throughout the projection based on company's compensation plan. However, since Carnival Magic Project will open in the second half of year 2019, the IFA estimates that Carnival Magic Project's staff expense as of 2019 is equivalent to THB 74.38 Million or 35.09% of projected staff expenses of THB 211.98 Million (excluding staff annual bonus and executive compensation).

Summary of Carnival Magic Project's yearly Staff Cost (excluding staff annual bonus and executive compensation) during the projection

A.D.	Year No.	Phuket Fantasy Project's Staff Cost (Excluding Staff Bonus) (THB Million)	Project's Staff cost (Excluding Staff Bonus) (THB Million)	Growth Rate
2016		183.11		
2017		192.27		5.00%
2018		201.88		5.00%
2019	1	211.97	74.38 (35.09% of 211.97)	5.00%
2020	2		156.19	5.00% (comparing to 70.18% of THB 211.97 Million or equivalent to THB 148.76 Million)
2021	3		164.00	5.00%
2022	4		172.20	5.00%
2023	5		180.81	5.00%
2024	6		189.85	5.00%
2025	7		199.34	5.00%
2026	8		209.31	5.00%
2027	9		219.78	5.00%
2028	10		230.76	5.00%

2.2 Bonus Expense The IFA assumes 2-month bonus throughout the projection, referring to company's compensation plan with detail as follows:

Year No.	Bonus (Month)	Bonus Expense (THB Million)
1	2	6.20
2	2	26.03
3	2	27.33
4	2	28.70
5	2	30.14
6	2	31.64
7	2	33.22
8	2	34.89
9	2	36.63
10	2	38.46

- 2.3 **Depreciation Expense** The IFA uses a straight-line depreciation method, referring to Phuket Fantasy Project's accounting policies.
- 2.4 **Maintenance Expense** The maintenance expense is estimated at 2.50% of total revenue, referring to company's investment planning department. The IFA, on a conservative basis, does not use 3-year historical figure (year 2014-2016) of Phuket Fantasy Project of 1.80%.
- 2.5 **Other Administrative Expenses** includes office rental, staff and executive transportation expense, consultant fee, and other administrative expenses. The other administrative expense is estimated to be THB 70.00 Million, referring to company's investment planning department. Growth rate is projected at 3.04% per annum throughout the projection using Thailand 25-year historical inflation rate.

Summary of Carnival Magic Project's yearly Expenses during the projection

Unit : THB Million

Year No.	Staff Expense	Bonus Expense	Depreciation Expense	Maintenance Expense	Other Administrative expenses	Total Expenses
1	74.38	6.20	113.06	16.80	70.00	280.43
2	156.19	26.03	233.53	35.34	72.13	523.22
3	164.00	27.33	248.40	37.18	74.32	551.23
4	172.20	28.70	264.60	40.51	76.58	582.59
5	180.81	30.14	281.65	42.62	78.91	614.13
6	189.85	31.64	232.87	44.84	81.31	580.51
7	199.34	33.22	238.28	48.87	83.78	603.50
8	209.31	34.89	243.98	51.42	86.33	625.92
9	219.78	36.63	249.42	54.10	88.95	648.88
10	230.76	38.46	255.96	58.97	91.65	675.80

Other Assumptions

1. Tax Expense

The Carnival Magic Project obtains tax exemption from BOI for 5 years, starting from Carnival Magic Project's year of service. After the due date, Carnival Magic Project will need to pay tax at the rate of 20%. Therefore, the IFA has set assumption of tax with the rate mentioned above.

2. Working Capital

Figure from Phuket Fantasy Project's financial statement year 2014- 2016 is being referred for this assumption. The IFA assumes days sales outstanding of 14 days, days inventory outstanding of 27 days, and days payable outstanding of 32 days.

3. Capital Expenditure

The IFA assumes that the capital expenditure is 5% of project's revenue, referring to company's investment planning on Carnival Magic Project's fix asset investment policies.

4. Finance Cost

The IFA assumes the finance cost based on Carnival Magic Project's loan agreement which is the agreements of Phuket Fantasy Company and CM with financial institution with total value of THB 1,930 Million. Base on management expectation, additional loan agreement (in process of execution) of THB 990 Million with fixed interest of 6.10% is assumed. With reference to all loan agreements, the payback period is 5 years for the loan agreement valued THB 2,920 Million, referring to Carnival Magic Company's information memorandum which the company has published on SET website under section 9 Finance Cost.

5. Executive Compensation

The IFA assumes Carnival Magic Project's executive compensation expense of 15% earning before tax throughout the projection, with reference to Resolution of the Meeting of the Board of Directors of the Company No. 3/2010 on March 24, 2010 and on the Information Memorandum disclosed to SET.

6. Dividend payout

The IFA assumes that there is no dividend payout policy throughout the projection.

7. Investment Cost

The IFA refers the estimation of the company's investment planning as follows:

Year	Investment Cost (THB Million)	Source of Fund (THB Million)	
		Equity	Debt
start construction - 2016	1,497.45	500.00	997.45
2017	502.55		502.55
2018	1,000.00		1,000.00
2019	570.00		570.00

Year	Investment Cost (THB Million)	Source of Fund (THB Million)	
		Equity	Debt
Total	3,570.00	500.00	3,070.00

Terminal Value Assumption

The valuation is projected with 12-year project time, ended on December 2028. On conservative basis, the IFA assumes that there will be no growth after the valuation period.

Assumption of Discount Rate

The discount rate used for valuation of net present value of free cash flow to Carnival Magic Project both free cash flow to project and free cash flow to equity is calculated based on the weighted average cost of capital (WACC) and cost of equity (K_e). Details of calculation are as follows:

WACC	=	$(D/(D+E)) * K_d * (1-T) + (E/(D+E)) * K_e$
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Where:

WACC	=	Weighted Average Cost of Capital
D	=	Loans from financial institutions for Carnival Magic Project each year
E	=	Equity of Carnival Magic Project each year
K_d	=	Finance cost for loans to Carnival Magic Project assuming finance cost at a fixed rate of 6.10% per annum
T	=	Corporate income tax at the rate of 0% and 20%
K_e	=	Return on Equity calculated from CAPM ranges between 6.34 – 23.66%. Details of K_e calculation are as follows:

K_e	=	$R_f + \beta (R_m - R_f)$
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Where:

K_e	=	Return on Equity
Risk Free Rate (R_f)	=	Risk Free Rate, reference 25-year Government Bond yield of 3.34% per year (Source: ThaiBMA as of 30 June 2017)
R_m	=	Market Return, 25-year average rate of return on investment in the Stock Exchange of Thailand (SET) between 1992 and 2017 of 8.90% per year (Source : set.or.th)

Beta (β) = The average variance of daily returns of Thailand's Stock Exchange- listed companies which operate under travel industry compared to a year historical return on investment of Thailand's Stock Exchange from July 1, 2016 to June 30, 2017 (Source: Bloomberg) . Then, calculate an average of unleveraged beta of every company and adjusted it to Beta (β_L : Levered Beta) of Carnival Magic Project, given debt-free capital structure of Carnival Magic Project. The average Unleveraged Beta (β_U) is 0.539 (Source: Bloomberg). The calculation is shown in the below table:

Ticker	Company	Nature of Business	Levered Beta
ASIA	Asia Hotel Plc.	Hotel	0.909
CENTEL	Central Plaza Hotel Plc.	Hotel	0.904
DTC	Dusit Thani Plc.	Hotel	0.495
ERW	The Erawan Group Plc.	Hotel	1.038
GRAND	Grande Asset Hotels and Property Plc.	Hotel and Property Development	1.308
LRH	Laguna Resorts & Hotel Plc.	Hotel	0.552
MANRIN	The Mandarin Hotel Plc.	Hotel	0.675
OHTL	OHTL Plc.	Hotel	0.413
ROH	Royal Orchid Hotel (Thailand) Plc.	Hotel	0.256

Company	Levered Beta (β_L)	Ratio of Interest Bearing Debt to Equity (DE Ratio) As of March 31, 2017	Unlevered Beta (β_U)
ASIA	0.909	0.375	0.699
CENTEL	0.904	0.673	0.588
DTC	0.495	0.283	0.403
ERW	1.038	1.615	0.453
GRAND	1.308	1.460	0.603
GREEN	1.307	0.009	1.298
LRH	0.552	0.308	0.443
MANRIN	0.675	0.973	0.379
OHTL	0.413	0.653	0.272
ROH	0.256	0.001	0.256
Average Unlevered Beta			0.539

The Debt to Equity ratio of the project, Return on Equity (K_e), and Weighted Average Cost of Capital (WACC) of the project each year can be summarized as follows:

Estimated Year	Operating Year	Year	D/E ratio	K_e	WACC
1		2017	5.78	23.66%	8.69%
2		2018	4.94	21.15%	8.63%
3	1	2019	4.72	20.49%	8.61%
4	2	2020	2.94	15.16%	8.40%
5	3	2021	1.12	9.70%	7.80%
6	4	2022	0.41	7.57%	7.14%
7	5	2023	0.20	6.94%	6.80%
8	6	2024	-	6.34%	6.34%
9	7	2025	-	6.34%	6.34%
10	8	2026	-	6.34%	6.34%
11	9	2027	-	6.34%	6.34%
12	10	2028	-	6.34%	6.34%
			Average	11.36%	7.31%

From the above Table, Return on Equity (K_e) of Carnival Magic Project is 6.34 – 23.66% per annum, whereas the Weighted Average Cost of Capital (WACC) of the project is in a range of 6.34 – 8.69% per annum, which depends on a change in the Debt/Equity ratio each year due to loan repayments and corporate income tax rate. Consequently, Return on Equity and Weighted Average Cost of Capital (WACC) used as a discount rate each year are different.

However, CM is not a Stock Exchange listed company and SAFARI 's stock is not traded in the stock market, therefore, There are liquidity risk to be considered. The IFA viewed that the Return on Equity (K_e) should be increase 10% to compensate the liquidity risk according to High Risk – High Return concept. The adjusted Return on Equity (K_e) equals to 6.97% - 26.02% per annum and the adjusted Weighted Average Cost of Capital (WACC) of the project equals to 6.97% - 9.04% per annum which depends on a change in the Debt/Equity ratio each year due to loan repayments and corporate income tax rate. Consequently, Return on Equity and Weighted Average Cost of Capital (WACC) used as a discount rate each year are different.

The Debt to Equity ratio of the project, adjusted Return on Equity (K_e), and adjusted Weighted Average Cost of Capital (WACC) of the project each year can be summarized as follows:

Forecasted years	Operating years	B.E.	D/E ratio	Adjusted K_e	Adjusted WACC
1		2017	5.78	26.02%	9.04%
2		2018	4.94	23.27%	8.99%
3	1	2019	4.72	22.54%	8.97%
4	2	2020	2.94	16.67%	8.78%
5	3	2021	1.12	10.67%	8.25%

Forecasted years	Operating years	B.E.	D/E ratio	Adjusted K_e	Adjusted WACC
6	4	2022	0.41	8.32%	7.68%
7	5	2023	0.20	7.63%	7.38%
8	6	2024	-	6.97%	6.97%
9	7	2025	-	6.97%	6.97%
10	8	2026	-	6.97%	6.97%
11	9	2027	-	6.97%	6.97%
12	10	2028	-	6.97%	6.97%
			Average	12.50%	7.83%

Free Cash Flow to Project of Carnival Magic Project

(Unit : THB Million)

Estimated Year	0	1	2	3	4	5	6	7	8	9	10	11	12
Operating Year				1	2	3	4	5	6	7	8	9	10
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Revenue				671.84	1,413.53	1,487.12	1,620.42	1,704.80	1,793.72	1,954.73	2,056.71	2,164.19	2,358.71
COGS				354.38	744.11	781.40	834.61	876.76	921.24	984.91	1,035.25	1,088.38	1,164.68
Gross Profit				317.47	669.41	705.71	785.81	828.04	872.48	969.82	1,021.46	1,075.81	1,194.03
SG&A Expenses				280.43	523.22	551.23	582.59	614.13	580.51	603.50	625.92	648.88	675.80
EBIT				37.04	146.20	154.48	203.22	213.91	291.97	366.32	395.55	426.93	518.22
Interest Expenses				126.70	93.76	56.00	25.83	13.39	5.09	-	-	-	-
EBT				(89.65)	52.44	98.48	177.38	200.52	286.87	366.32	395.55	426.93	518.22
Executive Compensation				-	(7.87)	(14.77)	(26.61)	(30.08)	(43.03)	(54.95)	(59.33)	(64.04)	(77.73)
Tax Expenses				-	-	-	-	-	(48.77)	(62.27)	(67.24)	(72.58)	(88.10)
Net Profit				(89.65)	44.57	83.71	150.78	170.44	195.07	249.10	268.97	290.31	352.39
NOPAT				37.04	138.33	139.71	176.61	183.83	199.15	249.10	268.97	290.31	352.39
+ Depreciation Expenses				113.06	233.53	248.40	264.60	281.65	232.87	238.28	243.98	249.42	255.96
- Capital Expenditure				(33.59)	(70.68)	(74.36)	(81.02)	(85.24)	(89.69)	(97.74)	(102.84)	(108.21)	(117.94)
- Investment Cost				(20.91)	(44.02)	(46.34)	(50.72)	(53.38)	(56.18)	(61.48)	(64.71)	(68.10)	(74.52)
Free cash flow to project (FCFP)	(1,497.45)	(502.55)	(1,000.00)	(570.00)									
Terminal Value	(1,497.45)	(502.55)	(1,000.00)	(474.41)	257.16	267.41	309.47	326.87	286.15	328.16	345.41	363.42	415.90
Total FCFP													5,966.51
Present value of FCFP	(1,497.45)	(502.55)	(1,000.00)	(474.41)	257.16	267.41	309.47	326.87	286.15	328.16	345.41	363.42	6,382.40
Net Present Value (NPV)	(1,497.45)	(470.97)	(859.87)	(374.34)	186.53	179.18	192.58	189.43	155.03	166.21	163.54	160.86	2,640.91
IRR	THB 831.66 Million												
NOPAT	10.43%												

Free Cash Flow to Equity of Carnival Magic Project

(Unit : THB Million)

Estimated Year	0	1	2	3	4	5	6	7	8	9	10	11	12
Operating Year				1	2	3	4	5	6	7	8	9	10
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Revenue				671.84	1,413.53	1,487.12	1,620.42	1,704.80	1,793.72	1,954.73	2,056.71	2,164.19	2,358.71
COGS				354.38	744.11	781.40	834.61	876.76	921.24	984.91	1,035.25	1,088.38	1,164.68
Gross Profit				317.47	669.41	705.71	785.81	828.04	872.48	969.82	1,021.46	1,075.81	1,194.03
SG&A Expenses				280.43	523.22	551.23	582.59	614.13	580.51	603.50	625.92	648.88	675.80
EBIT				37.04	146.20	154.48	203.22	213.91	291.97	366.32	395.55	426.93	518.22
Interest Expenses				126.70	93.76	56.00	25.83	13.39	5.09	-	-	-	-
EBT				(89.65)	52.44	98.48	177.38	200.52	286.87	366.32	395.55	426.93	518.22
Executive Compensation				-	(7.87)	(14.77)	(26.61)	(30.08)	(43.03)	(54.95)	(59.33)	(64.04)	(77.73)
Tax Expenses				-	-	-	-	-	(48.77)	(62.27)	(67.24)	(72.58)	(88.10)
Net Profit				(89.65)	44.57	83.71	150.78	170.44	195.07	249.10	268.97	290.31	352.39
Net Profit				(89.65)	44.57	83.71	150.78	170.44	195.07	249.10	268.97	290.31	352.39
+ Depreciation Expenses				113.06	233.53	248.40	264.60	281.65	232.87	238.28	243.98	249.42	255.96
- Capital Expenditure				(33.59)	(70.68)	(74.36)	(81.02)	(85.24)	(89.69)	(97.74)	(102.84)	(108.21)	(117.94)
- Net Working Capital				(20.91)	(44.02)	(46.34)	(50.72)	(53.38)	(56.18)	(61.48)	(64.71)	(68.10)	(74.52)
- Investment Cost	(1,497.45)	(502.55)	(1,000.00)	(570.00)									
+ Loan from financial institutions	997.45	502.55	1,000.00	570.00									
- Payment of loan from financial institutions		(183.00)	(396.00)	(528.00)	(552.00)	(686.00)	(303.00)	(105.00)	(167.00)				
Free cash flow to equity (FCFE)	(500.00)	(183.00)	(396.00)	(559.11)	(388.60)	(474.58)	(19.36)	208.48	115.08	328.16	345.41	363.42	415.90
Terminal Value													5,966.51
Total FCFE	(500.00)	(183.00)	(396.00)	(559.11)	(388.60)	(474.58)	(19.36)	208.48	115.08	328.16	345.41	363.42	6,382.40
Present Value of FCFE	(500.00)	(153.86)	(270.09)	(311.20)	(185.39)	(204.58)	(7.70)	77.08	39.78	106.03	104.33	102.62	1,684.80
Equity Net Present Value (Equity NPV)	THB 481.83 Million												
Equity IRR	13.30%												

5.2 Summary of Valuation of Return on Investment

According to Table of free cash flow to project and Table of free cash flow to, the calculation method of return on investment can be summarized as follows:

Valuation Methods of Return on Investment	Project	Equity
Net Present Value (NPV)	THB 831.66 Million	THB 481.83 Million
Internal Rate of Return (IRR)	10.43 %	13.30 %

5.3 Sensitivity Analysis

To achieve accurate return on investment or value which is close to the actual value of Carnival Magic Project will depend on the adequacy and suitability of assumptions used in the financial projection, business plan and future management policy under current economic conditions and circumstances. In case that there is incident that causes any change in economic conditions, natural environment and the government's policies, the projection based on the aforementioned assumptions may be changed significantly, whereas the expected return on investment of Carnival Magic Project may be changeable as well.

As a result of the causes and possible changes in various factors that may have an impact on the valuation of return on investment of Carnival Magic Project, the IFA has prepared a sensitivity analysis of the valuation of return on investment of Carnival Magic Project with the aim to study the impacts of different factors that may be changeable. The objective is to study and analyze changes of the return on investment to project and to equity i.e. Project NPV, Equity NPV, Project IRR, and Equity IRR subject to changes of the main factors in No. of visitors per year of the project. The sensitivity analysis of the valuation of return on investment to project and to equity in different cases can be summarized as follows:

No. of Visitors of the Project	Project NPV (THB Million)	Project IRR	Equity NPV (THB Million)	Equity IRR
Base case – 5.0%	418.28	9.17%	180.42	11.58%
Base case – 2.5%	624.99	9.81%	330.86	12.46%
No. of visitors (Base case)	831.66	10.43%	481.83	13.30%
Base case + 2.5%	1,038.33	11.02%	633.38	14.12%
Base case + 5.0%	1,245.01	11.60%	785.51	14.91%

According to the sensitivity analysis of the valuation of return on investment to project and to equity, Carnival Magic Project's NPV ranges between 418.28 – 1,245.01 Million, and IRR is in a range of 9.17 – 11.60 percent per annum.

When considering the expected return of the Company's investment of Carnival Magic Project, Equity NPV ranges between THB 180.42 – 785.51 Million, and EIRR is in a range of 11.58 – 14.91 percent per annum

Section 6 : Summary of the Opinion of the Independent Financial Advisor

Please refer the summary of the IFA's opinion in section 1 : Executive Summary in this IFA's report.

In deciding whether to approve the Assets Acquisition Transaction, the Company's shareholders can consider the information, the reason, and the opinion on each issue as the IFA summarize in this report. However, The decision to approve or disapprove depends on the Company's shareholders discretion.

Silom Advisory Company Limited, as the Independent Financial Advisor, hereby certify that the IFA have considered and studied the information with the information with the prudence and reasonableness according to professional conduct and have opined based on reasonableness and fair basis by accounting the interest of the Company's shareholders.

Yours sincerely,

.....
(Mr. Pitak Kittiakrasatien)
Managing Director

.....
(Mr. Pitak Kittiakrasatien)
Operation Controller

Attachment 1 : Details of Carnival Magic Project

1. Summary Information of Carnival Magic Project

1.1 General Information

Project Name	Carnival Magic
Operator	Carnival Magic Co., Ltd.
Location	99, Kamala Sub-District, Kratu District, Phuket, 83150
Company Registered No.	0835557013779 (registered as a limited company on 9 October 2014)
Registered Capital	Registered and Paid-up capital of THB 500,000,000 (Phuket FantaSea Plc. hold 90.0 percent in Carnival Magic Co., Ltd.)
Investment Amount	THB 3,570 Million (including land used in development)
Project Area	Total area of 82 rais
Construction Period	Start on November 2015 and expect to finish by 2019 (total construction period of three and half years)
Expected Attendee	Around 1.50 Million people per year or equivalent to 4,100 people per day
Opening Date	Every day (except Thursday). In case Thursday is holiday, it may be open.
Opening Period	Between 5.00 p.m. to 12.00 a.m.

1.2 Project Background and Objective

Phuket is major tourist destination in Thailand and has potential to develop tourism industry. The number of tourist has been continuously increasing over past 20 years. In 2016, there are 12 Million tourists and it's expected to be increased to 15-20 Million over next 3-6 years. Phuket also has infrastructure development in order to support city expansion e.g. Phase 2 of Phuket International Airport to support tourist and transportation development etc.

Number of tourist has been increased as Phuket have natural scenery e.g. beach, sea, sunshine, and beautiful island which attract tourist around the world especially country which have cold climate. In addition, over past few years, the low cost airline and charter flight to Phuket has been increased, those depart from major city of country e.g. China, India, Russia, Australia, and Middle East etc. The tourist who visit Phuket also have good capacity to spend e.g. spend time in Phuket around 5-10 days. Those factors reflect important and potential of Phuket. At present, various business interested to invest in Phuket e.g. Department Store, Luxurious Hotel, Notable Restaurant, Office Building, and Nightlife Travel etc. to support demand increasing.

Safari Group has opened Phuket FantaSea and Carnival Magic Project at Kamala beach, Kratu District, Phuket. Kratu District has been known as important tourist destination in Phuket which has major tourist attraction e.g. Patong Beach, Kamala Beach, Adventure Activities and Amusement Park i.e. Phuket FantaSea. According to 2016 Traveler's Choice - Best Destinations in the World of TripAdvisor, Kratu District has been chose as second superb tourist destination (first is Bangkok).

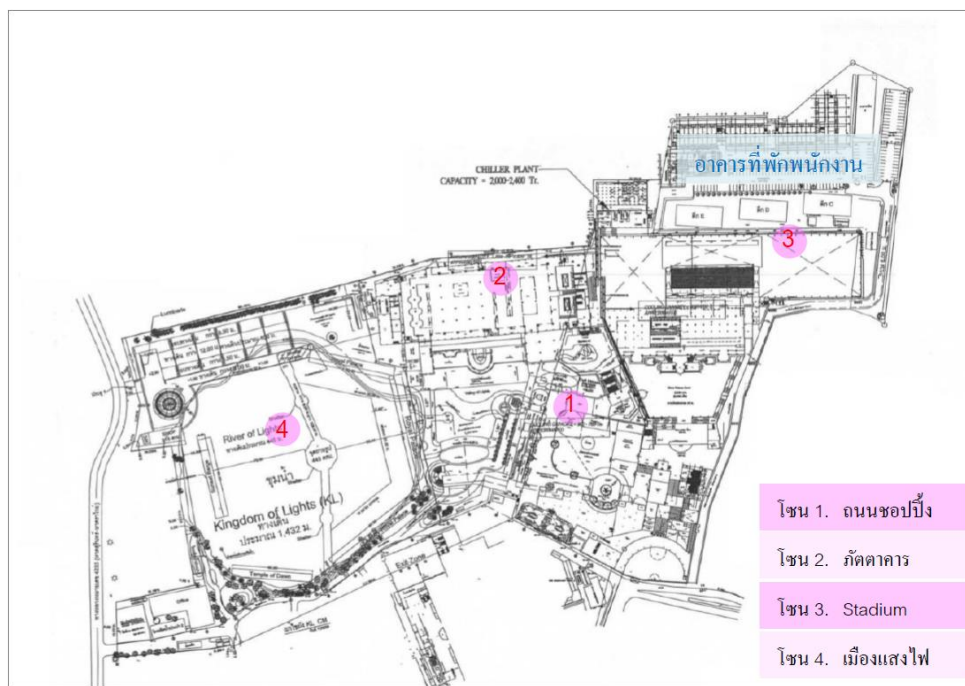
Phuket FantaSea is known as Trademark or Brand of Phuket, and has highest attendee number in Phuket. At present, there are clients from Agent Tour, Counter Tour, and Hotel more than 6,000 places and also

have more than 4,000 travel guides. Over past 20 years, Phuket FantaSea is well known by foreign tourist and also Thai tourist which is major customer base and is one of strength of Phuket FantaSea. However, over past 20 years, which Phuket FantaSea has been operated, doesn't have any new activities which will further attract tourist and compete with neighbor country and Asia. In 5 to 10 years, it may not be able to compete and secure customer base, thus to increase Safari Group opportunity to expansion, the Board of Director of Phuket FantaSea agreed to expand business by construct a new theme park namely "Carnival Magic" by utilizing competency and experienced more than 30 years to create a new show which use light more than 10 Million bulb with unique characteristic and have not been shown anywhere in the world with ambition to create top tourist destination in the world to achieve slogan "Brand of Phuket, Face of Thailand" and have standard as "Disney Land". Those will increase Thailand leadership in tourist industry and expand the Company business, revenues, and profit which will help the Company achieve sustainability in long-term. With the prospect of Phuket, Investors, both Thai and foreign, interested to invest in Phuket especially nightlife travel place. Thus to attract tourist and be the number one tourist destination in Phuket, the Company have to construct Carnival Magic Project with unique characteristic and secure leadership in tourist industry. In addition, the Company has obtained the ownership of land instead of rental, thus the Company could fully develop the project.

With experienced in theme park management in Bangkok more than 30 year and in Phuket more than 20 years, readiness of technical team, and survey of customer demand, management confidents that the project will be successful and will be well-known tourist destination in Asia and Tourism Industry. And the project will increase the Company revenues and profit which help the Company to grow and also create employment in Phuket and nearby provinces more than 1,000 positions.

1.3 Project Details

Carnival Magic Project will divided in to 4 zones i.e. Shopping Zone, Restaurant Zone, Show Zone, and City of Light Zone. Each zone has summarized of details as follows:



Source : The Company

1.3.1 Shopping Street Zone

Shopping Street Zone is the first area which attendee will enter. This zone will have various souvenir shop e.g. jewelry store, handcraft store, and local product etc. The tourist will enjoy by shopping product which is the well-known product from countrywide and take a photo of souvenir shop, which uniquely decorated in Carnival Theme and according to type of product. The project also set up game town to serve children under 12 year-old. Furthermore, there is parade and various show to serve tourist throughout the Shopping Street Zone.

1.3.2 Restaurant Zone

Carnival Magic offer international buffet in 3-storey restaurant decorated under Carnival Magic style and is outstanding with Thai architecture and light. This restaurant could serve more than 3,000 tourists per day.

1.3.3 Show Stadium Zone

Stadium is the longest theater in Thailand, being able to contain 2,000 seats per round. The show includes big light show, including traditional culture and identity of Thailand combining with modern light technology. The show is the first rank show in Asia region where there is no any country has done before. The show opens for 1-4 rounds per day and spends approximately 40 minutes per round.

1.3.4 Light City Zone

Light City Zone is the light exhibition by decorating variety type of light in area of 30 rais, using more than 10 Million light bulb. Attendee could experience and snap a picture of beautiful light for a few hours. This zone is counted as the first light show in Thailand and first permanent show in the world.

1.4 Target Group

1. Thai and foreign tourist who visit Phuket by using agent tour, counter tour, hotel, and travel guides more than 6,000 places as distribution channel to provide ticket reservation and package tour services focusing on free independent traveler and tour group, this group represent 75 percent of total tourist.

Furthermore, the Company also have commercial tourist group which organize event e.g. seminar etc. MICE, both in Thai and foreign, government entity, state enterprise, student, and university also counted as prospect growth group which support future sales.

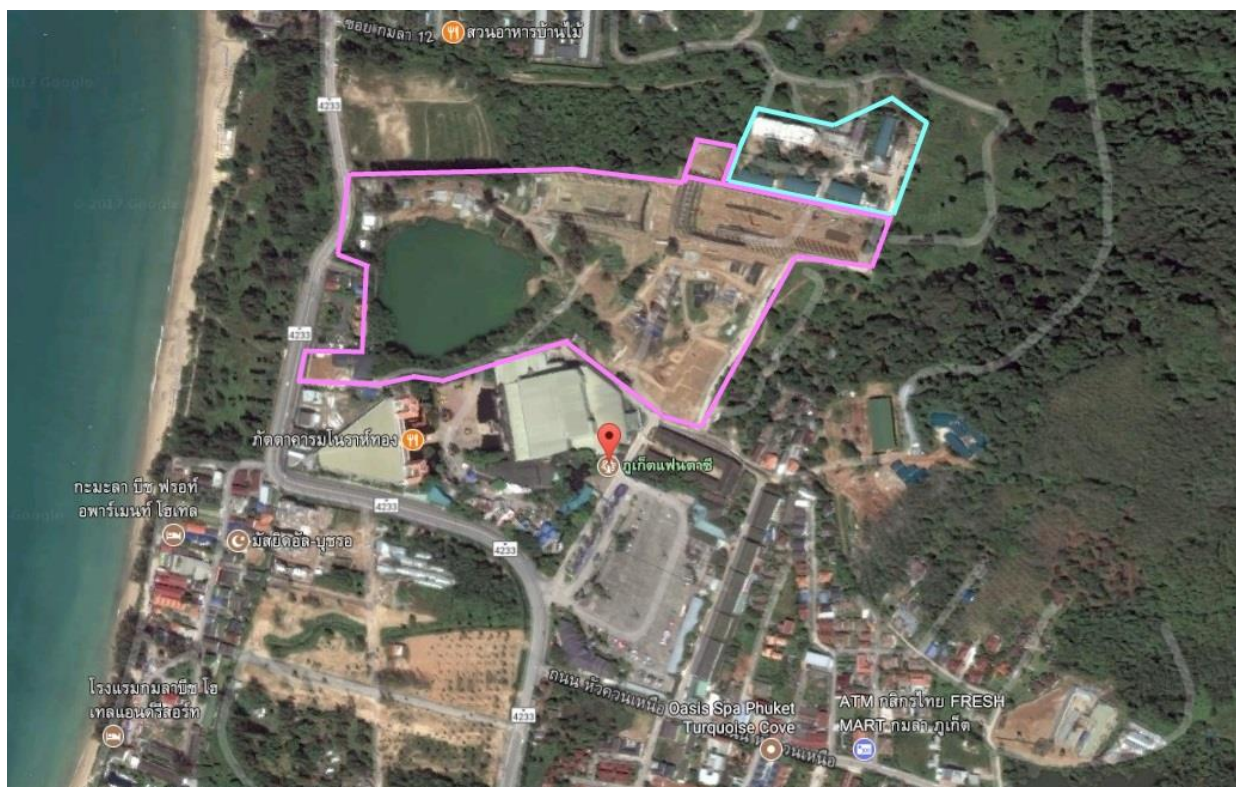
2. Walk-in tourist, both Thai and foreign, who travel to Phuket, this group represent 25 percent of total tourist.

3. Ex-customer, around 14 Million, who have visited Phuket FantaSea. The Company expect that there will be 10-30 percent or about 1-2 Million people who will revisit. Management is confident as it has strong relationship with partner and supporting factor e.g. expansion of airport and increase in flight to Phuket etc. Those factor will help Carnival Magic Project be new Phuket magnet which will attract tourist to visit Phuket and nearby area e.g. Pangnga and Krabi.

2. Location of Carnival Magic Project

Carnival Magic Project has area around 82 rais, located on Kamala Sub-District, Kratu District, Phuket and adhere to Phuket FantaSea. It's about 30 minutes from Phuket International Airport, 30 minutes from central city, and 15 minutes from Patong Beach.

Picture of Project Location



Source: The Company

3. Contractor of Carnival Magic Project

No.	Name	Scope of Work	Counter party
1	Tiger Construction 1 Co., Ltd.	1. Building 2. Engineering system 3. Utility system	CM
		4. Staff building 5. Animal rest area, parking area, and etc.	PF
2	Tiger Product Co., Ltd.	Procure construction material	CM
3	Kirby's AFX Ltd.	Design show technique, Kirby's AFX Flying Effects Since 1898	CM
4	ABB Co., Ltd.	Sub-station construction	PF

Source: The Company

4. Project Preliminary Timeline

Carnival Magic Project has been constructed since late of 2015 and expected to open on mid of 2019, total construction period of 3 years and 6 months with the details as follows:

Scope of Work	2015	2016				2017				2018				2019	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Business Design															
Building and System Construction															
Architecture and Decoration															
Show Technique															
Product and Install Show Equipment															
Install Light for Show															
Show Test															
Open for Services															

Source: The Company

5. Tourism Industry in Phuket

Phuket is one of tourist destination in Thailand. In 2016, there is more than 13.31 Million tourists, create sales more than THB 313,006 Million. However, the number of tourist slightly increase from 13.20 Million tourist in 2015 due to political instability in Russia which affect ruble currency and dampen number of Russian tourist. There was also effect from zero cost tour from China which decrease number of tourist from China. However, considering from number of tourist compound annual growth rate between 2011 to 2016, it was 7.05 percent. In 2017, tourism in Phuket has recover as the main tourist, i.e. Russian and Chinese, is return to grow. In first 5 months of 2017, Russian tourist in Phuket increased by 17 percent, while Chinese increased by 8 percent, this two countries represent two-third of tourist who visit Phuket airport.

Phuket still be anticipated for growth in tourism industry. If the airport will be expanding per master plan, it will have more capacity to absorb tourist as follows:

Phuket Airport Development	Tourist Absorption Capacity (Million tourist per year)	Expected Operation Date
Current Capacity	6.5	
Phase 1 Expansion	12.5	December 2017
Phase 2 Expansion (2017-2022)	18	2022
Phase 3 Expansion (2023-2025)	25	2025

Tourist in Phuket Statistic

Details	2009	2010	2011	2012	2013	2014	2015	2016P
Number of Tourist	3,375,931	5,471,218	9,467,248	10,789,647	11,960,044	11,958,603	13,203,284	13,306,465
Thai	887,365	965,192	2,844,472	3,233,542	3,564,123	3,499,187	3,714,328	
Foreign	2,488,566	4,506,026	6,622,776	7,556,105	8,395,921	8,459,416	9,488,956	13,306,465
Length of Travel (Days)	5.99	4.26	4.33	4.46	4.02	3.89	4.02	
Thai	3.96	2.88	2.98	3.00	2.87	2.74	2.70	
Foreign	6.62	4.52	4.90	5.06	4.49	4.35	4.51	
Spending (THB/person/day)	4,187	4,897	4,828	4,964	5,639	5,806	6,143	
Thai	2,835	2,868	3,118	3,279	3,819	3,992	4,244	
Foreign	4,552	5,155	5,266	5,386	6,126	6,238	6,442	
Revenues from tourism (THB Million)	94,007	108,446	188,822	228,985	260,442	259,291	313,006	
Thai	7,132	7,160	24,895	30,292	37,217	36,375	40,474	
Foreign	86,875	101,286	163,927	198,693	223,225	222,915	272,532	
Accommodation								
Room Number	37,884	44,330	57,679	53,814	46,007	48,241	82,962	
Occupancy Rate (%)	35.84	46.20	56.47	61.41	71.58	70.39	73.38	
Number of Guests	2,721,269	4,642,862	8,271,722	9,569,786	10,804,700	10,793,303	11,928,579	
Thai	550,031	628,320	2,375,725	2,780,374	3,087,913	2,975,032	3,156,924	
Foreign	2,171,238	4,014,542	5,895,997	6,789,412	7,716,787	7,818,271	8,771,655	

Source : Bank of Thailand and Department of Tourism

From past growth and solid expansion plan especially airport expansion plan, it will increase private investment in Phuket. The project during development will support Phuket tourism industry. The details of project, both under development and feasibility study, are as follows:

Type	Project	Details
Transportation and Infrastructure	Phase 1 airport expansion	At present, project is during construction. The total investment is THB 5,790 Million. It aims to increase capacity to serve tourist from 6.5 Million to 12.5 Million per year. The project is expected to be completed by December of 2017.
	Phase 2 airport expansion (2017-2022)	The continued expansion plan from phase 1 with investment amount of THB 2,700 Million. It aims to increase capacity to serve tourist from 12.5 Million to 18.0 Million per year.
	Phase 3 airport expansion (2023-2025)	The continued expansion plan from phase 2 with investment amount of THB 12,000 Million. It aims to increase capacity to serve tourist from 18.0 Million to 25.0 Million per year.
	Smart City	The government choose Phuket as Smart City in perspective of Smart Economy and Smart Living Community and including Digital Industry Center of region. Phuket is expected to attract investor and tourist. Phuket also being chose as one of nine Super Cluster which is area for future industry using advance technology.
	Monorail	The monorail, start from Tha Noon – Phuket Airport – Phuket City Center – Chalong, length 60 km. It has 23 stations with total investment amount of THB 24,000 Million. At present, the project is during approval process of Office of Transport and Traffic Policy and Planning and expected to open by 2021.
Education	BCIS International School	BCIS International School will be opened by September of 2017. The expected student is 1,100 students by 2018.
Accommodation	Montazure Super High End Mixed-use	Mixed-use project over area more than 454 rais on Kamala Beach comprised of 5-Star Resort, Beach Club, Luxurious Condominium, and Retirement Hospitality. The project is joint investment between Arch Capital from Hong Kong, Philian Capital from Singapore, and Narai Property from Thailand.
Department Store and	Project Blue Pearl	Hugh complex project developed by The Mall Group which integrate retails area, department store,

Type	Project	Details
Tourist Attraction		convention mall, exhibition center and theme park over area of 10,000 square metre. The investment amount is THB 20 billion.
	Vana Nava Phuket Water Jungle	Vana Nava Phuket Water Jungle developed by Proud Real Estate.
	Central Phuket	New world class relax and shopping aiming to be center of tourism in Phuket over area more than 100 rais with investment amount up to THB 12,700 Million, There will be 3 building comprising of world class luxurious brand, amusement part, Ice Skate, and under water world.
	Phuket AquaPark	Hugh water park project located at 112 Moo 7, Kratu Sub-District, Kratu District, Phuket, developed by Czenki Co.,Ltd., Hungarian Investor, with investment amount more than THB 800 Million.
	King Power Phuket	Duty Free Mall over area of 20,000 square metre. It consists of 3 major zones i.e. duty-free product zone, Thai product zone, and Ramayana restaurant.

Source : Public Information

6. Project progress as of 30 June 2017

Zone – Shopping Street



Source : The Company

Zone – Restaurant



Source : The Company

Zone – Staff Building

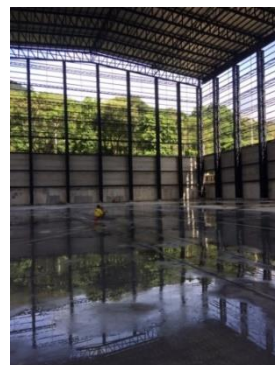


Source : The Company

Zone – Show Stadium



Source : The Company



Attachment 2 : Information of Safari World Public Company Limited

1. General information

Company name	: Safari World Public Company Limited
Registration Date	: 1 February 1994
Registered Number	: 0107537000351
Head office location	: 99 Panya Intra Rd. Sam Wa Tawan Tok, Khlong Sam Wa, Bangkok 10510
Authorized share capital	: THB 2,221,108,600 (Ordinary shares of 2,221,108,600 shares at par value THB 1 per share)
Issued and paid-up share capital	: THB 2,221,108,600 (Ordinary shares of 2,221,108,600 shares at par value THB 1 per share)
Core business	: Tourism and recreation of open zoo and international standard show

2. Business overview

Zoo and entertainment performance business

Zoo and entertainment performance can be categorized into 4 groups

- 1) Safari park is the first open zoo in Thailand. It is an exciting safari drive through the picturesque African wilderness settings consisting of giraffe, zebra, white rhinoceros, deer, Antelope, tiger, lion, bear, cape buffalo, other preserved animals and protected animals. Tourists can drive their own cars or can use motor coach service of Safari park traveling along 5 kilometers taking 30-40 minutes. Additionally, Safari park has the only water bird park in Bangkok, thousands of birds fly over the sky.
- 2) Marine Park has various kinds of sea animal such as dolphin, white whale, seal, sea lion, walrus and also many kinds of fresh-water fish such as Mekong catfish, white giant gourami, and giant snake-head fish. Marine park also consists of land animals and birds with green environment, tourists can take a walk for daylong.
- 3) Entertainment shows can be categorized into 2 groups (1) performances of one or more breeds of animal consists of bird shows, sea lion shows, elephant shows and orangutan shows (2) performances by actors consists of Spy war show, Cowboy stunt show, and animal feeding show in Safari park.
- 4) Other activities are all about having fun and excited activities along Marine park such as sailing safari river boats, seeing rare animals, feeding birds, Eggs world exhibition, feeding hundreds of giraffes, seeing red flamingo from Cuba and red scarlet from South America which are expensive birds and difficult to find in Thai zoos.

Other businesses

The company operates businesses related to zoo and performance which are (1) foods and beverages for customers, there are 5 restaurants to serve customers approximately 6,000 people (2) amusement park and games for kid customers (3) souvenirs for tourists, there are many souvenirs shops size of S, M, L and 5 kiosks (4) Coach fleet of 80 to serve group customers

3. Board of Directors as of 28 April 2017

No.	Name	Position
1.	Mr. Narong Chulajata	Chairman and Independent director
2.	Mr. Pin Kewkacha	Chairman of the executive board
3.	Mr. Paisal Techaratanachai	Vice chairman
4.	Mrs. Apar Kewkacha	President
5.	Mr. Litti Kewkacha	Director
6.	Mr. Amnaj Kewkacha	Director
7.	Mr. Thana Kewkacha	Director
8.	Miss Ampornsri Kewkacha	Director
9.	Mrs. Suneat Kewkacha	Director
10.	Mr. Soontorn Pojthanamas	Independent director and Audit committee
11.	Mr. Somsak Mundang	Independent director and Audit committee
12.	Mr. Sumate Sangsiri	Independent director and Chairman of audit committee

4. Top 10 shareholders as of 23 March 2017

No.	List of shareholders	No. of Share	Percentage
1.	Miss Ampornsri Kewkacha	400,780,952	18.04
2.	Mr. Thaveechat Jurangkool	220,000,000	9.90
3.	Mr. Dech Kewkacha	209,895,720	9.45
4.	Mr. Suwit Laohapholwattana	147,050,000	6.62
5.	Mr. Litti Kewkacha	108,735,326	4.90
6.	Silverhouse Company Limited	100,105,186	4.51
7.	Mr. Winai Khlongprakij	85,483,000	3.85
8.	Mrs. Apar Kewkacha	70,366,666	3.17
9.	Mr. Kittikorn Kewkacha	60,178,346	2.71
10.	Mr. Amnaj Kewkacha	57,604,688	2.59
11.	Others	760,908,716	34.26
Total		2,221,108,600	100.00

5. Financial statements, financial ratios and company performance**5.1 Financial Statement****Statements of Financial Position**

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Assets				
Current assets				
Cash and cash equivalents	62.67	486.03	343.44	222.05
Temporary investment	-	500.00	30.09	10.20
Trade and other receivables - net	104.14	90.69	129.20	173.56
Inventories - net	35.92	40.92	51.45	45.64
Total current assets	202.73	1,117.64	554.19	450.44
Non-current assets				
Investments in subsidiaries - net	-	-	-	-
Fixed deposits pledged as collateral	5.31	5.39	40.18	4.07
Animals and plants - net	558.60	513.85	522.68	515.99
Property, plant and equipment - net	2,496.81	3,014.98	3,681.42	3,924.82
Advances for purchase of assets and animals - net	48.55	9.81	9.52	17.59
Deferred tax assets	30.54	22.65	22.04	22.65
Other non-current assets	25.85	12.04	187.87	176.32
Total non-current assets	3,165.66	3,578.72	4,463.70	4,661.44
Total assets	3,368.39	4,696.36	5,017.89	5,111.89
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	67.47	-	-	56.01
Trade and other payables	245.88	206.75	166.41	189.77
Short-term loans from related parties	18.90	-	-	-
Short-term loans from other persons	-	131.26	108.59	107.03
Short-term debentures	-	-	336.17	337.67
Current portion of long-term liabilities under financial leases agreements	66.50	42.23	36.02	35.12
Current portion of long-term loans	161.00	171.21	187.74	195.65
Income tax payable	12.28	19.39	11.96	19.51

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Total current liabilities	572.04	570.84	846.88	940.78
Non-current liabilities				
Long-term debentures	-	312.01	175.76	176.40
Long-term liabilities under financial leases agreements - net	40.11	54.17	34.79	43.14
Long-term loans from subsidiaries	-	-	-	-
Long-term loan from financial institutions - net	1,264.72	958.16	1,028.79	975.39
Employee benefit obligations	82.89	94.90	95.53	99.06
Deferred tax liabilities	28.03	33.20	40.15	41.97
Total non-current liabilities	1,415.75	1,452.44	1,375.01	1,335.96
Total liabilities	1,987.79	2,023.28	2,221.89	2,276.74
Shareholders' equity				
Authorized share capital	1,000.00	2,221.11	2,221.11	2,221.11
Issued and paid-up share capital	1,000.00	2,221.11	2,221.11	2,221.11
Discount on share capital				
Discount on share capital	-	(4.11)	(4.11)	(4.11)
Surplus on share-based payment transactions	-	65.42	65.42	65.42
Retained earning				
Appropriated- Legal reserve	21.25	32.25	33.85	33.85
Unappropriated	358.89	352.34	473.78	512.93
Total equity attributable to owners of parent	1,380.14	2,666.99	2,790.04	2,829.19
Non-controlling interests	0.46	6.08	5.97	5.96
Total shareholders' equity	1,380.60	2,673.08	2,796.01	2,835.15
Total liabilities and shareholders' equity	3,368.39	4,696.36	5,017.89	5,111.89

Statements of Comprehensive income

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Revenue from sales and services	1,769.08	1,805.91	1,825.45	483.91
Cost of sales and services	(818.57)	(742.07)	(771.31)	(198.94)

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Loss on death of animals	(28.58)	(73.41)	(21.76)	(0.62)
Depreciation	(197.71)	(191.91)	(190.55)	(49.20)
Gross profit	724.22	798.52	841.83	235.15
Reversal of doubtful accounts - net	(25.14)	0.36	(5,393.19)	0.08
Loss on impairment of assets	(15.00)	-	-	-
Revenue from sales of newborn animals	4.02	4.02	4.84	0.22
Gain (loss) on sales of animals	9.03	-	1,664.93	(0.44)
Gain (loss) on sales of fixed assets	0.37	(83.29)	(38.25)	(0.00)
Interest income	-	1,260.24	8,373.10	(0.38)
Dividend income	-	-	-	-
Income from an insurance claim	-	11.41	-	-
Other incomes	16.22	10.89	15.62	3.83
Selling and service expenses	(107.14)	(102.03)	(94.34)	(24.21)
Expenses for share-based payment transactions	-	(65.42)	-	-
Administrative expenses	(454.99)	(499.75)	(507.03)	(140.73)
Finance costs	(159.07)	(131.94)	(127.37)	(24.40)
Profit (loss) before tax	(7.48)	27.24	138.15	49.88
Income tax expense	(16.90)	(41.88)	(26.24)	(10.74)
Profit (loss) for the periods	(24.39)	(14.64)	111.91	39.14

Statements of Cash Flows

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Cash flows from operating activities				
Profit (loss) for the periods	(7.48)	27.24	138.15	49.88
Adjustments to reconcile net profit to net cash				
Depreciation	197.71	191.91	191.48	49.46
Reversal of doubtful accounts - net	(2.37)	(0.36)	5.39	(0.08)
Reversal of loss on devaluation of inventories - net	(14.72)	(7.60)	(1.68)	(0.38)
Loss on impairment of assets	15.00	-	-	-

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
(Gain) loss on sales of fixed assets	(0.37)	0.08	0.04	0.00
(Gain) loss on sales of animals	(9.03)	-	(1.66)	0.44
Written off construction in progress	-	3.35	0.19	-
Disposals of advances for purchase of animals	-	3.70	-	-
Loss on death of animals	28.58	73.41	21.76	0.62
Employee benefit obligations	12.81	14.77	17.43	4.12
Expenses for share-based payment transactions	-	65.42	-	-
Finance costs	159.07	131.94	127.37	24.40
Changes in operating assets and liabilities				
Changes in operating assets - (increase) decrease				
Trade and other receivables	34.13	15.24	(36.19)	(42.96)
Inventories	1.89	2.61	(8.85)	6.20
Other non-current assets	(14.01)	13.81	(7.05)	0.30
Changes in operating liabilities - increase (decrease)				
Trade and other payables	(114.17)	(39.58)	(40.94)	23.57
Payments for employee benefit obligations	-	(2.77)	(3.04)	(0.58)
Cash provided by operating activities	326.89	493.17	402.40	114.99
Paid income tax	(17.01)	(23.15)	(30.35)	(2.30)
Receipts of withholding tax	-	-	1.43	-
Net cash provided by (used in) operating activities	309.89	470.02	373.48	112.70
Cash flows from investing activities				
(Increase) decrease in temporary investment	-	(500.00)	469.91	19.89
Decrease in fixed deposits pledged as collateral	(0.11)	(0.08)	(34.79)	36.11
Purchase of animals and plants	(7.38)	(17.24)	(0.02)	(1.18)
Purchase of properties, plants and equipment	(40.38)	(573.36)	(814.23)	(240.33)
Proceeds from sales of animals	-	-	3.45	0.50

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Proceeds from sales of properties, plants and equipment	10.39	0.11	5.22	-
Payments for advances for construction contract	-	-	(168.78)	-
Payments for advances for purchase of animals	(77.30)	(36.17)	(58.20)	(12.08)
Receipts of refund from advances for purchase of animals	2.66	-	1.81	-
Net cash used in investing activities	(112.12)	(1,126.74)	(600.35)	(197.09)
Cash flows from financing activities				
Increase in bank overdrafts and short- term loans from financial institution	3.35	(67.47)	-	56.01
Payments of short-term loans from other persons	-	128.60	(33.05)	(3.72)
Receipts from short-term loan from related person	18.91	-	18.84	-
Repayment of short-term loan from related person	(0.10)	(18.90)	-	-
Receipts from loan from subsidiary	-	-	-	-
Repayment of loan from subsidiary	-	-	-	-
Receipts from issuance of debentures	-	310.77	174.82	-
Repayment of loans	(61.34)	-	-	-
Payments of liabilities under financial leases agreements	(57.78)	(71.36)	(43.59)	(14.06)
Receipts from long-term loans from financial institution	150.00	-	1,250.12	-
Repayment of long-term loans from financial institution	(133.80)	(296.36)	(1,148.45)	(43.98)
Payments of finance costs	(150.64)	(127.59)	(134.40)	(31.27)
Receipts from ordinary shares subscription	0.1	1,222.69	-	-
Dividend paid of subsidiary	-	(0.31)	-	-
Net cash provided by (used in) financing activities	(231.30)	1,080.07	84.29	(37.00)
Net increase (decrease) in cash and cash equivalents	33.54	423.35	(142.58)	(121.39)

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Cash and cash equivalents at the beginning of the periods	96.21	62.67	486.03	343.44
Cash and cash equivalents at the end of the periods	62.67	486.03	343.44	222.05

Financial Ratios

Financial Ratios	Unit	Consolidated financial statement and audited as of			
		31 December	31 December	31 December	31 March
		2014	2015	2016	2017
<u>Liquidity ratio</u>					
Liquidity Ratio	time	0.35	1.96	0.65	0.48
Quick ratio	time	0.29	1.89	0.59	0.25
Cash ratio	time	0.45	0.82	0.53	1.59
Account Receivable Turnover	time	13.04	16.99	15.09	14.14
Days Sales Outstanding	day	28.00	21.00	24.00	25.47
Inventory Turnover	time	22.94	19.31	16.70	15.81
Days Sales of Inventory	day	16.00	19.00	22.00	23.10
Account Payable Turnover	time	2.74	3.28	4.13	4.40
Days Payable Outstanding	day	132.00	110.00	87.00	82.95
Cash Cycle	day	(88.00)	(70.00)	(41.00)	(34.38)
<u>Profitability ratio</u>					
Gross profit margin	%	40.94	44.22	46.12	48.59
Operating profit margin	%	8.57	8.81	14.55	4.47
Others profit margin	%	1.03	0.00	0.59	0.79
Cash to profit ratio	%	204.43	295.28	140.66	520.55
Net profit margin	%	(1.36)	(0.80)	6.03	8.02
Return of equity ratio	%	(1.75)	(0.72)	4.09	1.84
<u>Efficiency ratio</u>					
Return of assets ratio	%	(0.71)	(0.36)	2.30	1.02
Return of fixed assets ratio	%	6.75	6.41	9.03	3.00
Total asset turnover	time	0.52	0.45	0.38	0.13
<u>Financial policy ratio</u>					
Debt to equity ratio	time	1.42	0.76	0.79	0.80
Interest coverage ratio	time	3.05	4.88	4.14	2.26

Financial Ratios	Unit	Consolidated financial statement and audited as of			
		31 December 2014	31 December 2015	31 December 2016	31 March 2017
Commitment coverage ratio (Cash Basis)	time	0.82	0.46	0.16	0.15

6 Financial Performance Review

6.1 Financial Performance

Revenue

The company and its subsidiary generate revenues from sales of tickets mainly, 61.2% of total revenues in 2016. Other revenues are from sales of food and beverages, sales of souvenirs, sales of animal feeds, sales of photographs, transportation services, games and rides services, consignment services, and others operating revenues.

Item (Unit : THB Thousand)	2016	%	2015	%	Increase (Decrease)	%
Sales of tickets	1,117,776.56	61.20	1,101,929.04	61.00	15,847.51	1.44
Sales of food and beverages	389,525.23	21.30	376,736.52	20.90	12,788.71	3.40
Sales of souvenirs	64,685.70	3.60	68,312.65	3.80	(3,626.95)	-5.30
Sales of animal feeds	17,385.50	1.00	15,147.74	0.80	2,237.76	14.80
Sales of photographs	24,989.89	1.40	22,659.83	1.30	2,330.06	10.30
Transportation services	100,905.79	5.50	115,301.05	6.40	(14,395.26)	(12.50)
Games and rides services	31,846.08	1.70	29,758.10	1.70	2,087.98	7.00
Consignment services	29,871.62	1.70	35,674.36	2.00	(5,802.75)	(16.30)
Sharing from photography services	18,631.46	1.00	17,002.29	0.90	1,629.17	9.60
Other operating	29,830.98	1.60	23,387.80	1.20	6,443.18	27.60
Total revenues	1,825,448.80	100.00	1,805,909.39	100.00	19,539.41	1.10

The consolidated revenue is from sales of tickets mainly or approximately 60% of operating revenue. Sales of tickets are depending on a number of tourists arrived.

The tourists of the company in 2016 grow 10.3% from 2015, while the tourists of its subsidiaries decrease 8.9% because some incident in the third and last quarter of 2016. The government policy against the so-called zero-dollar tours, increase of visa, and the death of the King Bhumibol Adulyadej impact the number of Thai and foreign tourist so the company and its subsidiaries did not achieve the target.

In 2016, the company and its subsidiaries have operating revenue of THB 1,825.45 Million increasing THB 19.53 Million or 1.1% from 2015, primarily from improved sales of tickets. Sales of tickets increase 1.4% from sales of Safari world tickets which increased for 9.9%, while sales of Phuket FantaSea tickets decreased for 4.0% due to decrease of Chinese tourists. As Chinese tourists decreased, the company transportation services

revenue is also decreased by 16.9% . However, sales of food and beverages are increased for 17.34% from 2015.

Other revenues

In 2016, the company has interest income THB 8.37 Million which from liquidity management, revenue from sales of animals THB 6.51 Million and other revenues THB 15.62 Million which are revenue from sales promotion THB 3.75 Million, revenue from sales of unused material THB 5.94 Million and other revenues THB 15.62 Million.

Cost of sales

In 2016, the company has cost of sales and services THB 771.31 Million which increased THB 29.24 Million from 2015, same proportion with sales increased. Loss on death of animals decreased THB 51.65 Million because of disease control in perissodactyl.

Selling expenses

In 2016, the company selling expenses THB 94.34 Million which decreased THB 7.69 Million or 7.53% from 2015 because of improvement in efficiency management.

Administration expenses

In 2016, the administration expenses increased THB 7.28 Million or 1.46% from 2015

Net profit

In 2016 and 2015, the company and its subsidiaries have net profit (loss) of THB 111.91 Million and THB (14.64) Million respectively or 6.1% and (0.8%) of total revenues. Net profit increased THB 126.55 Million or 864.4% because of improve in gross profit. Gross profit in 2015 consists of expenses for share-based payment transactions of 65.42 which is one-time expenses.

6.2 Financial position

6.2.1 Assets

Total asset of the company as of 31 December 2016 is THB 5,017.90 Million, which increased THB 321.54 Million from 2015 or 6.85% because the company bought land of 600 rai in Prachinburi for animal breeding project in the future and the company had more construction in process for Phuket fantasy project and Carnival Magic project.

6.2.2 Liabilities

Total liabilities of the company as of 31 December 2016 is THB 2,221.89 Million, which increased THB 198.61 Million from 2015 or 9.80%. Current liabilities increased 276.04, while non-current liabilities decreased THB 77.43 Million. Current liabilities increased because current portion of long term loans of its subsidiary which is used as working capital and expansion investment for Carnival Magic project increased for THB 336.16 Million.

6.2.3 Shareholders' equity

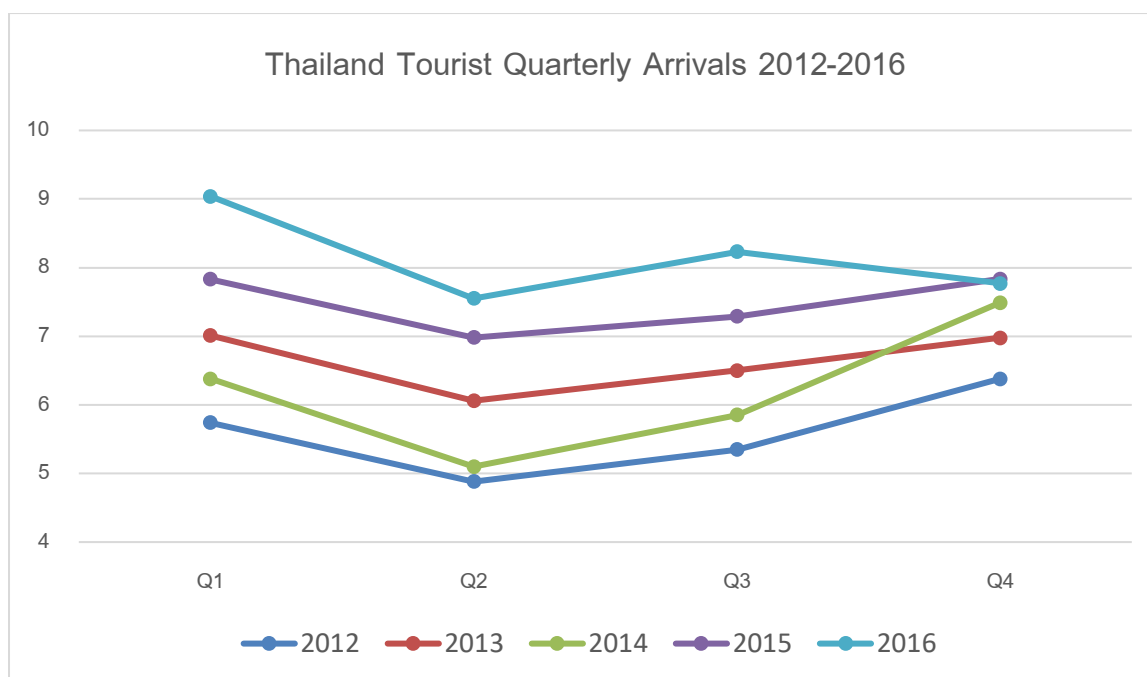
Total Shareholders' equity of the company as of 31 December 2016 is THB 2,796.01 Million, which increased THB 122.93 Million from 2015 because the records of net profit for 2016 and other comprehensive income (net from tax) of THB 111.91 Million and THB 11.01 Million, consequently. Total other comprehensive income comprises actuarial gain from employee benefit program and income tax from other comprehensive income for the item which will not be classified to new item. The Company increases its the legal reserve by THB 1.60 Million.

During the year 2016, the company has adjusted its financial statement to comply TFRS2: Share-based Payment valuation, the company recognize expenses for share-based payment transactions with a corresponding surplus on share-based payment transaction" under shareholders' equity of THB 65.42 Million.

7. Industry Overview

Arrivals continued to increase in the first three quarters of 2016, with 9.04 Million visitors in the three first months, an increase of 15.45% when compared to 2015. There were 7.55 Million visitors in the second quarter, an increase of 8.23% when compared with the second quarter of 2015. This indicated a slight loss of momentum of arrivals (15.45% increase in first quarter, compared to 8.23 % increase in the second quarter). However, 2.3 Million visitors arrived in the third quarter, an increase over same time last year by 12.8%

A crackdown by the Government started towards the end of the third quarter into the fourth quarter against the so-called zero-dollar tours mainly coming out of China whereby tourists were lured by cheap tours to travel to Thailand and once they arrived, they were taken by tour guides to shop at retail stores at highly inflated prices. This invariably led to dissatisfaction and complaints from customers after the tours and would affect Thailand's reputation as a tourist destination. Reportedly also the Chinese tourist authorities wanted this type of tours to be stopped which has had a negative impact on tourism and travel industry with some airlines and hotels seeing a drop in the number of bookings from China especially over the traditional peak period of the October Golden Week according to local media reports.



Source: Bank of Thailand

From the above table, it shows number of tourist arrivals to Thailand comparing to last year. Tourist arrivals to Thailand have increased from 2015 to 9.04 Million people during January to March 2016 while decreased its numbers to 7.55 Million people in April. However, during July to September, the numbers ramped up to 8.23 Million people whereas reducing again during October to December to 7.769 Million people.

By overall, there were expansion in number of tourists from China (+10.3% yoy), ASEAN (+9% yoy), Europe (+9.6%) who are from Russia, Spain, East Europe, Germany and France. However, those from East Asia such as Hong Kong, Japan, Taiwan and Korea increasingly came to Thailand with less proportion (+5% yoy).

Moreover, the death of the King Bhumibol Adulyadej on 13 October 2016 has effected on Thai people and tourist's sadness and effected tourism industry in the last quarter of 2016. Tourists had concerned to travel when the government asked people in Thailand to abstain from "joyful events" for 30 days.

Attachment 3 : Information of Phuket FantaSea Public Company Limited

1. General information

Company name	: Phuket FantaSea Public Company Limited
Registration Date	: 1 July 2004
Registered Number	: 0107547000613
Head office location	: 99 M.3 Kamala, Kathu, Phuket 83150
Authorized share capital	: THB 1,178,000,000 (Ordinary shares of 1,178,000,000 shares at par value THB 1 per share)
Issued and paid-up share capital	: THB 1,178,000,000 (Ordinary shares of 1,178,000,000 shares at par value THB 1 per share)
Core business	: Activities of amusement parks and theme parks

2. Business overview

Performance and theatre business

Running performance in an ancient decorative castle style theater, Phuket fantasy, the biggest theater in Thailand can support around 3,000 seats and runs the show at approximate time of 75 minutes. Phuket Fantasy perform in 9 unique concepts, performed in a mixture between Thai culture and Las Vegas style with special technology assisting ie. Thai culture art, illusion performance with gran 4 D dimensional system, Bungee ballet, fire, elephant and stunt show includes plenty of special effects.

Other businesses

The company operates theater-related business such as (1) Food and beverage service in (Manora-Thong) with 4,000 seat capacity (2) souvenir and activity sold and ran in the store with special decoration of Thai applied architecture decorative style. Activities run in two separated locations. Demonstration of Thai handicrafts, Thai traditional plays are hosted on “viva Bangkok” stage. More than 20 games and activity runs at “ Similan entertainment center”

3. Board of Directors as of 5 May 2017

No.	Name	Position
1.	Mr. Udom Vichayabhai	President
2.	Gen. Wattana Sanphanich	Vice president and Chairman of audit committee
3.	Mr. Pin Kewkacha	Chairman of the executive board
4.	Mr. Soontorn Pojthanamas	Independent director and Audit committee
5.	Pol.Gen. Somchai Vanichsenee	Independent director and Audit committee
6.	Mr. Kittikorn Kewkacha	Managing Director
7.	Gen. Supit Wora-Uthai	Independent director
8.	Mr. Rungsrit Luxsitanonda	Independent director
9.	Mr. Somwang Kewkacha	Executive board

No.	Name	Position
1.	Mr. Udom Vichayabhai	President
10.	Mrs. Suneat Kewkacha	Director
11.	Miss Sophida Kewkacha Choetchai	Director
12.	Mr. Litti Kewkacha	Director
13.	Mr. Dej Kewkacha	Director

4. Top 10 shareholders as of 20 April 2017

No.	List of shareholders	No. of Share	Percentage
1.	Safari World Public Company Limited	1,177,101,000	99.92
2.	Mr. Kittikorn Kewkacha	220,000	0.02
3.	Mr. Somwang Kewkacha	79,000	0.01
4.	Mr. Narong Chulajata	50,000	0.00
5.	Mr. Duang Kewkacha	50,000	0.00
6.	Mr. Thana Kewkacha	50,000	0.00
7.	Mr. Pin Kewkacha	50,000	0.00
8.	Mr. Litti Kewkacha	50,000	0.00
9.	Mrs. Suneat Kewkacha	50,500	0.00
10.	Miss Sophida Kewkacha Cherdchai	50,000	0.00
11.	Others	249,500	0.02
Total		1,178,000,000	100.00

5. Financial statements, financial ratios and company performance

5.1 Financial Statement

Statements of Financial Position

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Assets				
Current assets				
Cash and cash equivalents	45.28	385.95	323.64	211.38
Temporary investment	-	500.00	20.00	-
Trade and other receivables - net	68.27	58.25	96.81	136.95
Inventories - net	22.62	30.96	41.25	36.39
Total current assets	136.17	975.15	481.70	384.72
Non-current assets				
Long term loan to company and accrued interest receivable	265.76	160.12	249.85	261.00

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Other long-term investment	0.90	0.90	0.90	0.90
Fixed deposits pledged as collateral	3.97	4.02	40.18	4.07
Animals and plants - net	23.48	21.05	19.56	18.16
Property, plant and equipment - net	796.72	1,294.21	1,875.67	2,094.38
Advances for purchase of assets and animals - net	27.48	1.81	-	-
Deferred tax assets	14.84	10.83	10.34	10.78
Other non-current assets	20.21	5.21	180.45	170.34
Total non-current assets	1,153.37	1,498.15	2,376.95	2,559.63
Total assets	1,289.54	2,473.30	2,858.65	2,944.35
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans from financial institutions	47.49	-	-	43.88
Trade and other payables	207.41	145.65	117.27	134.80
Short-term loans from other persons	-	131.26	108.59	107.03
Short-term debentures	-	-	336.17	337.69
Current portion of long-term liabilities	55.42	60.17	81.30	81.41
Current portion of long-term debenture due within 1 year	-	-	-	-
Obligations under finance leases due within one year	13.25	9.69	10.02	10.02
Loan from related parties	0.90	-	-	-
Income tax payable	12.28	19.39	11.96	19.51
Total current liabilities	336.75	366.16	665.30	734.34
Non-current liabilities				
Long-term debentures-net	-	312.01	175.76	176.40
Long-term liabilities under financial leases agreements - net	5.73	22.09	17.21	17.08
Long-term loan from financial institutions - net	388.94	328.64	464.13	442.34
Employee benefit obligations	31.81	39.09	40.35	42.19
Deferred tax liabilities	23.52	27.59	32.46	33.85
Total non-current liabilities	450.00	729.41	729.90	711.86

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Total liability	786.75	1,095.57	1,395.20	1,446.19
Shareholders' equity				
Share capital	190.00	1,178.00	1,178.00	1,178.00
Issued and paid-up share capital	190.00	1,178.00	1,178.00	1,178.00
Retained earning				
Appropriated	14.90	21.80	26.80	26.80
Legal reserve	297.79	173.00	253.92	288.67
Non-controlling interests	0.10	4.93	4.74	4.70
Total shareholders' equity	502.79	1,377.73	1,463.45	1,498.16
Total liabilities and shareholders' equity	1,289.54	2,473.30	2,858.65	2,944.35

Statements of Comprehensive income

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Revenue				
Sales of tickets	615.28	668.03	640.96	178.09
Sales of food and beverages	259.95	203.21	185.91	53.00
Sales of souvenirs	97.98	40.93	37.79	9.37
Sales of photographs	49.06	17.00	18.63	3.52
Transportation services	51.70	43.13	41.00	14.67
Games and rides services	21.39	21.11	22.16	6.25
Events services	9.99	-	-	-
Consignment services	-	26.34	20.65	4.82
Revenue from other operating	6.54	11.90	18.99	1.80
Total Revenue	1,111.90	1,031.66	986.07	271.51
Cost of sales				
Cost of sales and services	550.65	401.71	404.73	102.28
Cost of management	2.12	-	-	-
Depreciation	84.52	80.42	76.08	17.87
Total Costs	637.29	482.13	480.81	120.15
Gross profit	474.61	549.52	505.26	151.36
Reversal of doubtful accounts - net	(4.14)	(0.67)	(4.58)	0.08

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Loss on impairment of assets	(15.00)	-	-	-
Gain (loss) on sales of fixed assets	0.41	(0.08)	0.63	(0.00)
Gain (loss) on sales of animals	-	-	0.43	(0.44)
Interest income	21.33	14.74	24.45	4.05
Income compensation from insurance companies.	-	8.68	-	-
Other income	9.77	4.74	6.19	2.29
Selling and service expenses	(57.42)	(55.06)	(48.48)	(13.18)
Administrative expenses	(276.58)	(307.20)	(315.59)	(87.25)
Profit (loss) before income tax benefit expense (EBIT)	152.98	214.68	168.32	56.91
Financial cost	(66.93)	(48.45)	(62.49)	(11.72)
Profit (loss) before tax	86.05	166.23	105.83	45.20
Income tax expense	(21.94)	(36.90)	(25.46)	(10.49)
Profit (loss) for the periods	64.11	129.32	80.37	34.71

Financial Ratios

Financial Ratios	Unit	Consolidated financial statement and audited as of			
		31 December 2014	31 December 2015	31 December 2016	31 March 2017
<u>Liquidity ratio</u>					
Liquidity Ratio	time	0.40	2.66	0.72	0.52
<u>Profitability ratio</u>					
Gross profit margin	%	42.68	53.27	51.24	55.75%
Operating profit margin	%	13.76	20.81	17.07	19.55%
Net profit margin	%	5.77	12.54	8.15	12.61%
Return on equity	%	0.00	13.75	5.66	3.09%
<u>Efficiency ratio</u>					
Return on assets	%	0.00	5.19	2.51	1.57%
Return on fixed assets	%	5.89	n.a.	n.a.	5.34%
Total assets turnover	time	0.00	0.41	0.31	0.12
<u>Financial policy ratio</u>					
Debt to equity	time	2.56x	1.80x	1.95x	1.97x

6 Financial Performance Review

6.1 Financial Performance

Revenue

The company has 3 major sources of revenue as following (1) sales of theater tickets (2) sales of food, beverage and souvenir including other activities. The total revenue for the year 2016 was THB 986.07 Million, decreases of THB 45.50 Million from THB 1,031.66 Million in 2015 or around 4.42% dropped.

Cost of sales and service

In 2016, the company recorded cost of sales and services of THB 404.73 Million, an increase of THB 3.02 Million from the year 2015, which is THB 401.71 Million.

Selling and service expenses

In 2016, the company has total sales and service expenses of THB 48.48 Million, a decrease of THB 6.58 Million or 11.95% dropped from the year 2015 due to more efficient management.

Administrative expenses

In 2016, the company has total administrative expense increased of THB 8.39 Million or 2.73% from year 2015.

Net income

In 2016 and 2015, the company's net income was THB 80.37 Million and THB 129.32 Million which can be calculated as 12.54% and 8.15% of total revenue respectively, mainly due to a decrease in sales and gross margin in combined with rising of financial costs.

6.2 Financial position

6.2.1 Assets

As of 31 December 2016, the company's total assets value was THB 2,858.65 Million which is THB 385.35 Million or 15.58% increased from year 2015 due to an increased in property, plant and equipment

6.2.2 Liability

The company's total liability as of December 31, 2019 was THB 1,395.20 Million. Total liabilities increased by THB 299.63 Million or 27.349% from the end of 2015 due to the increase in current liabilities resulting from long-term debentures amounting to THB 336.16 Million, which was issued by subsidiary and will be used as working capital and a reserved budget for Carnival Magic Project including to support an investment in the extension for the launch of the Carnival Magic Project.

6.2.3 Shareholder's equity

As of December 31, 2016, the value of shareholders' equity was THB 1,463.45 Million. The Company's shareholders' equity increased by THB 85.72 Million or 6.22% due to the net profit for the year 2019 of THB 80.37 Million.

Attachment 4 : Information of Carnival Magic Company Limited

1. General information

Company name	: Carnival Magic Company Limited
Registration Date	: 9 October 2014
Registered Number	: 0835557013779
Head office location	: 99 M.3 Kamala, Kathu, Phuket 83150
Authorized share capital	: THB 500,000,000 (Ordinary shares of 50,000,000 shares at par value THB 10 per share)
Issued and paid-up share capital	: THB 500,000,000 (Ordinary shares of 50,000,000 shares at par value THB 10 per share)
Core business	: Entertainment services ("Light City" exhibition)

2. Business overview

Tourism and entertainment theme park

Carnival Magic Company Limited operates entertainment theme park focusing on the show of colorful hi-technology lights which is very amazing. The Carnival Magic project is on area of 82 rai located in Kathu, Phuket province near Phuket FantaSea.

3. Board of Directors as of 5 May 2017

No.	Name	Position
1.	Mr. Udom Vichayabhai	President
2.	Gen. Wattana Sanphanich	Vice president
3.	Mr. Pin Kewkacha	Chairman of the executive board
4.	Mr. Soontorn Pojthanamas	Independent director
5.	Pol.Gen. Somchai Vanichsinee	Independent director
6.	Mr. Kittikorn Kewkacha	Managing director
7.	Gen. Supit Wora-Uthai	Independent director
8.	Mr. Rungsrit Luxsitanonda	Independent director
9.	Mr. Somwang Kewkacha	Executive board
10.	Mrs. Suneat Kewkacha	Director
11.	Miss Sophida Kewkacha Cherdchai	Director
12.	Mr. Litti Kewkacha	Director
13.	Mr. Dej Kewkacha	Director

4. Shareholders as of 22 April 2016

No.	List of shareholders	No. of Share	Percentage
1.	Phuket FantaSea Public Company Limited	49,500,000	99.00
2.	Mr. Kittikorn Kewkacha	210,000	0.42
3.	Mr. Somwang Kewkacha	70,000	0.14
4.	Mr. Duang Kewkacha	20,000	0.04
5.	Mr. Dech Kewkacha	20,000	0.04
6.	Mr. Thana Kewkacha	20,000	0.04
7.	Mr. Pin Kewkacha	20,000	0.04
8.	Mr. Litti Kewkacha	20,000	0.04
9.	Mrs. Suneat Kewkacha	20,000	0.04
10.	Miss Sophida Khiokhacha Choetchai	20,000	0.04
11.	Miss Ampornsri Kewkacha	20,000	0.04
12.	Mrs. Apar Kewkacha	20,000	0.04
13.	Mr. Amnaj Kewkacha	20,000	0.04
14.	Mr. Udom Vichayabhai	20,000	0.04
Total		50,000,000	100.00

5. Financial statements, financial ratios and company performance**5.1 Financial Statement****Statements of Financial Position**

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Assets				
Current assets				
Cash and cash equivalents	1.00	72.91	8.24	2.06
Temporary investment	-	100.00	-	-
Other receivables - net	-	10.21	55.64	67.14
Total current assets	1.00	183.12	63.87	69.19
Non-current assets				
Long tem loan to company and accrued interest receivable	-	136.01		
Construction work and equipment - net	-	-	706.18	891.42
Other non-current assets	-	182.35	164.41	165.53
Total non-current assets	-	318.36	870.59	1,056.95
Total assets	1.00	501.48	934.46	1,126.14

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Current liabilities				
Other creditors	0.03	5.65	8.44	11.03
Current portion of long-term liability due within 1 year	-	0.69	0.72	0.73
Total current liabilities	0.03	6.34	9.16	11.76
Non-current liabilities				
Long-term liabilities under financial leases agreements - net	-	2.27	1.55	1.36
Long-term loans from other company and accrued interest	-	-	448.69	641.67
Employee benefit obligations	-	-	0.06	0.09
Deferred tax liabilities	-	-	1.38	1.65
Total non-current liabilities	-	2.27	451.68	644.77
Total liabilities	0.03	8.61	460.83	656.52
Shareholders' equity				
Share capital	1.00	500.00	500.00	500.00
Issued and paid-up share capital	1.00	500.00	500.00	500.00
Retain earning	(0.03)	(7.13)	(26.38)	(30.38)
Total shareholders' equity	0.97	493.87	473.62	469.62
Total liabilities and shareholders' equity	1.00	501.48	934.46	1,126.14

Statements of Comprehensive income

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Interest income	-	6.57	-	0.00
Cost of sales	-	-	-	-
Gross profit	-	-	-	0.00
Reversal of doubtful accounts - net		-	(6.50)	-
Profit from sales of Long term assets	-	-	0.11	-
Interest income	-	6.57	1.22	0.03
Other income	-	-	0.02	0.00

Unit : THB Million	Consolidated financial statement and audited as of			
	31 December 2014	31 December 2015	31 December 2016	31 March 2017
Administrative expense	(0.03)	(13.66)	(12.60)	(3.71)
Financial cost	-	-	(0.13)	(0.03)
Loss before tax		(7.10)	(17.88)	(3.73)
Income tax expense	-	-	(1.38)	(0.28)
Profit (loss) for the periods		(7.10)	(19.25)	(4.01)

Financial ratios

Financial ratios	Unit	Consolidated financial statement and audited as of		Internal financial statement as of
		31 December 2015	31 December 2016	31 March 2017
<u>Liquidity ratio</u>				
Liquidity ratio	time	28.88	6.97	5.88
<u>Profitability ratio</u>				
Gross profit margin	%	0.00	0.00	0.00
Operating profit margin	%	(0.00)	(0.00)	(0.00)
Net profit margin	%	(0.00)	(0.00)	(0.00)
Return on equity	%	(2.87)	(3.98)	(0.85)
<u>Efficiency ratio</u>				
Return on assets	%	(2.83)	(2.68)	(0.39)
<u>Financial policy ratio</u>				
Debt to equity	time	0.02	0.97	1.40