



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

116/20 ถนน รามอง แขวงคลองเตย เขตคลองเตย กรุงเทพฯ 10110 โทร. 0-2249-8709 โทรสาร. 0-2249-8711

116/20 Na Ranong Road, Klong Toey, Bangkok 10110 Thailand Tel. 0-2249-8709 Fax. 0-2249-8711

เลขประจำตัวผู้เสียภาษีอากร 0107560000257

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Subject: Management's Discussion and Analysis
for the three-month and for the year ended 31 December 2018

Attention: President
The Stock Exchange of Thailand

Rich Sport Public Company Limited ("the Company") would like to clarify the operating results of the Company and its subsidiaries as follows:-

Unit : Million Baht

	Q4			For the year ended 31 December		
	2018	2017	Change	2018	2017	Change
Revenue from sales	313.1	298.3	5.0%	1,119.0	1,174.7	-4.7%
Other income	8.3	3.7	124.3%	29.8	8.9	234.8%
Total revenues	321.4	302.0	6.4%	1,148.8	1,183.6	-2.9%
Cost of sales	154.7	137.8	12.2%	546.9	562.8	-2.8%
Selling and administrative expenses	105.6	99.7	5.9%	395.9	348.6	13.6%
Profit before finance costs and income tax expense	61.2	64.5	-5.1%	206.0	272.2	-24.3%
Finance costs	0.1	0.1	0.0%	0.3	0.4	-25.0%
Income tax expense	17.1	6.2	175.3%	48.2	45.8	5.1%
Net profit	44.0	58.2	-24.4%	157.6	226.0	-30.3%

Operating results for 3 months ended 31 December 2018

The Company had consolidated revenues from sales equaled to Baht 313.1 million, with total gross profit of Baht 158.4 million or 50.6%.

Selling and administrative expenses went up by 5.9%, resulted from the impairment of assets and compensation in subsidiary company. The percentage of selling and administrative expenses to revenue from sales is at 33.7%.

Operating results for the year ended 31 December 2018

The Company had consolidated revenues from sales equaled to Baht 1,119.0 million and had total gross profit of Baht 572.1 million, equaled to gross profit margin of 51.1%.

Selling and administrative expenses went up by 13.6%, resulted from increase in marketing activities and impairment of assets and compensation in subsidiary company. The percentage of selling and administrative expenses to revenue from sales is at 35.4%.

Financial position as at 31 December 2018 and 2017

Unit : Million Baht

	31 December 2018	31 December 2017	Change
Cash and cash equivalents	556.9	1,110.9	-49.9%
Current investment	475.9	300.1	58.6%
Trade and other receivables	207.5	178.7	16.1%
Inventories	420.0	179.0	136.3%
Advance payment for inventories	66.7	14.6	356.8%
Other current assets	45.8	17.9	155.9%
Non-current assets	200.5	226.0	-11.3%
Total assets	1,979.9	2,027.2	-2.3%
Trade and other payables	68.8	97.8	-29.7%
Accrued income tax	24.4	18.3	33.3%
Other current liabilities	17.6	4.3	309.3%
Non-current liabilities	29.8	36.6	-18.6%
Total liabilities	140.6	157.0	-10.4%
Total shareholders' equity	1,839.3	1,870.2	-1.7%
Total liabilities and shareholders' equity	1,979.9	2,027.2	-2.3%

As at 31 December 2018, the Company's total assets equals Baht 1,979.9 million, decreasing by 2.3% from the end of 2017 due to decrease in cash and cash equivalents and increase in current investment, inventories, advance payment for inventories and other current assets. Total liabilities equal Baht 140.6 million, decreasing by 10.4% from the end of 2017 due to reduction in trade and other payables and non-current liabilities and increase in accrued income tax and other current liabilities. The company's total shareholders' equity equals Baht 1,839.3 million, decreasing by 1.7% from the end of 2017 due to the Company's operation result increase and paid dividend.

Cash flow for the year ended 31 December 2018

The Company had cash flows using in operating activities of Baht 172.7 million due to inventories purchase and advance payment for inventories. Cash flows using in investing equals Baht 191.3 million as the Company invested in current investment and purchase equipment. Cash flows using in financing equals Baht 190.1 million, which is proceed from share subscription from the non-controlling interest and paid for dividend and finance lease agreement.

Please be informed accordingly.

Sincerely yours,



Papitch Wongpaitoonpiya
Chief Executive Officer

