



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

116/20 ถนน รามอินทรา 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

10 August 2018

Subject: Management's Discussion and Analysis  
for the three-month period ended 30 June 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

	Q2			For six-month period		
	2018	2017	Change	2018	2017	Change
Revenue from sales	252.4	247.5	2.0%	547.1	597.3	-8.4%
Other income	6.5	2.1	209.5%	12.9	3.8	239.5%
<b>Total revenues</b>	<b>258.9</b>	<b>249.6</b>	<b>3.7%</b>	<b>560.0</b>	<b>601.1</b>	<b>-6.8%</b>
Cost of sales	131.2	119.1	10.2%	264.9	281.6	-5.9%
Selling and administrative expenses	93.1	78.9	18.0%	184.0	167.9	9.6%
<b>Profit before finance costs and income tax expense</b>	<b>34.6</b>	<b>51.6</b>	<b>-32.9%</b>	<b>111.1</b>	<b>151.6</b>	<b>-26.7%</b>
Finance costs	0.1	0.1	0.0%	0.1	0.2	-30.0%
Income tax expense	7.7	9.5	-18.9%	23.0	29.3	-21.5%
<b>Net profit</b>	<b>26.8</b>	<b>42.0</b>	<b>-36.2%</b>	<b>88.0</b>	<b>122.1</b>	<b>-28.0%</b>

### Operating results for 3 months ended 30 June 2018

The Company had consolidated revenues from sales equaled to Baht 252.4 million, an increasing of 2.0% from the same period last year. Total gross profit of Baht 121.2 million, a decreasing of 5.6% from the same period last year.

Total other incomes grew up by 209.5% from the same period last year due to interest received from financial institution and gain from current investment increased.

Selling and administrative expenses went up by 18.0%, resulted from the company's plan to promote brand "Converse" and "PONY" through substantial marketing activities in the first three months of 2018. The percentage of selling and administrative expenses to revenue from sales is at 36.9%.

The company's consolidated net profit equals Baht 26.8 million, decreasing by 36.2% from the same period last year.

**Operating results for 6 months ended 30 June 2018**

The Company had consolidated revenues from sales equaled to Baht 547.1 million and had total gross profit of Baht 282.2 million, equaled to gross profit margin of 51.6%, which was similar to the same period last year.

Total other incomes grew up by 239.5% from the same period last year due to interest received from financial institution and gain from current investment increased.

Selling and administrative expenses went up by 9.6%, resulted from the company's plan to promote brand "Converse" and "PONY" through substantial marketing activities. The percentage of selling and administrative expenses to revenue from sales is at 33.6%.

The company's consolidated net profit equals Baht 88.0 million, decreasing by 28.0% from the same period last year. Net profit margin equals 16.1%.

**Financial position as at 30 June 2018 and 31 December 2017**

Unit : Million Baht

	30 June 2018	31 December 2017	Change
Cash and cash equivalents	848.9	1,110.9	-23.6%
Current investment	449.9	300.1	49.9%
Trade and other receivables	140.2	178.7	-21.5%
Inventories	181.3	179.0	1.3%
Advance payment for inventories	114.0	14.6	680.8%
Other current assets	22.2	17.9	24.0%
Non-current assets	215.7	226.0	-4.6%
<b>Total assets</b>	<b>1,972.2</b>	<b>2,027.2</b>	<b>-2.7%</b>
Trade and other payables	65.5	97.8	-33.0%
Accrued income tax	20.6	18.3	12.6%
Other current liabilities	5.8	4.3	34.9%
Non-current liabilities	34.1	36.6	-6.8%
<b>Total liabilities</b>	<b>126.0</b>	<b>157.0</b>	<b>-19.7%</b>
Total shareholders' equity	1,846.2	1,870.2	-1.3%
<b>Total liabilities and shareholders' equity</b>	<b>1,972.2</b>	<b>2,027.2</b>	<b>-2.7%</b>

As at 30 June 2018, the Company's total assets equals Baht 1,972.2 million, decreasing by 2.7% from the end of 2017 due to decrease in cash and cash equivalents and trade and other receivable and increase in current investment and advance payment for inventories. Total liabilities equal Baht 126.0 million, decreasing by 19.7% from the end of 2017 due to reduction in trade and other payables and increase in accrued tax income and other current liabilities. The company's total shareholders' equity equals Baht 1,846.2 million, decreasing by 1.3% from the end of 2017 due to the Company's operation result increase and paid dividend.

**Cash flow for 6 months ended 30 June 2018**

The Company had cash flows receiving from operating activities of Baht 8.1 million. Cash flows using in investing equals Baht 157.0 million as the Company invested in fixed deposits of financial institutions and current investment. Cash flows using in financing equals Baht 113.7 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