



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

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10 November 2020

Subject: Management's Discussion and Analysis
for the three-month period ended 30 September 2020

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 for the three-month and nine-month period ended 30 September 2020 as follows:-

Summary of consolidated income statement for the three-month and nine-month period ended 30 September 2020 and 30 September 2019

Unit : Million Baht

	Q3			For nine-month period		
	2020	2019	Change	2020	2019	Change
Revenue from sales	260.5	293.5	-11.2%	633.4	944.8	-33.0%
Other income	2.8	16.1	-82.6%	12.6	36.4	-65.4%
Total revenues	263.3	309.6	-15.0%	646.0	981.2	-34.2%
Cost of sales	120.8	135.5	-10.8%	292.3	418.7	-30.2%
Selling and administrative expenses	126.9	133.1	-4.7%	342.7	401.8	-14.7%
Loss on disposal and change in value of other current financial assets (Current investment)	8.0	-	100.0%	34.6	-	100.0%
Profit before finance costs and income tax expense	7.6	41.0	-81.5%	(23.6)	160.7	-114.7%
Finance costs	2.4	0.1	2300.0%	6.4	0.2	3100.0%
Tax expense (income)	2.3	8.1	-71.6%	(4.9)	27.7	-117.7%
Net profit (loss) for the period	2.9	32.8	-91.2%	(25.1)	132.8	-118.9%

Operating result for the three-month period ended 30 September 2020

After the government announced the easing of lockdown measures due to the COVID-19 outbreak since mid of May 2020, we have seen improvement in some economic activities. However, the COVID-19 greatly impacted overall global economy including Thailand. Many businesses were forced to close down. Purchasing power of domestic consumers has decreased and that affected revenue of many businesses.

In the third quarter of 2020, the Company had total revenue from sales of Baht 260.5 million, 11.2% decreased from the same period of last year. Meanwhile, other income is Baht 2.8 million, decreased 82.6% from the same period of last year. This was mainly from decrease in deposit interest rate and income from other current financial assets.

The consolidated gross profit is Baht 139.7 million with gross profit margin of 53.6%. Gross profit margin level is close to the same period of last year.

Selling and administrative (SG&A) expenses equaled to Baht 126.9 million, decreased 4.7% from the same period of last year. The proportion of SG&A expenses to total revenue from sales is 48.7%. Decrease in SG&A expense mainly came from selling expenses.

The Company recorded loss on disposal and change in other current financial assets (current investments) of Baht 8 million due to decrease in fair value of other current financial assets.

The Company's total net profit is Baht 2.9 million, decreased 91.2% from the same period last year. The net profit margin of 3Q20 is 1.1%.

Operating result for the nine-month period ended 30 September 2020

The Company had total revenue from sales of Baht 633.4 million, 33.0% decreased from the same period last year. The Company's revenue was largely impacted by COVID-19 that spreads throughout the country. Meanwhile, other income is Baht 12.6 million, decreased 65.4% from the same period last year. This was mainly from decrease in deposit interest rate and income from other current financial assets.

The consolidated gross profit is Baht 341.1 million with gross profit margin of 53.9%.

Selling and administrative (SG&A) expenses equaled to Baht 342.7 million, decreased 14.7% from the same period last year. Decrease in SG&A expense mainly came from employee benefit expense and selling expense.

The Company recorded loss on disposal and change in other current financial assets (current investments) of Baht 34.6 million due to decrease in fair value of other current financial assets.

The Company's total net loss is Baht 25.1 million. Net loss margin is at 4.0%.

Summary of consolidated statement of financial position as at 30 September 2020

	Unit : Million Baht		
	30 September 2020	31 December 2019	Change
Cash and cash equivalents	906.1	461.9	96.2%
Other current financial assets	253.7	698.7	-63.7%
Trade and other receivables	104.7	147.9	-29.2%
Inventories	319.8	297.5	7.5%
Advance payment for inventories	16.9	61.3	-72.4%
Other current assets	35.2	24.0	46.7%
Property, plant and equipments	142.8	150.1	-4.9%
Right of use assets	182.4	-	100.0%
Other non-current assets	83.1	71.1	16.9%
Total assets	2,044.7	1,912.5	6.9%
Trade and other payables	67.6	61.0	10.8%
Accrued income tax	-	15.1	-100.0%
Other current liabilities	4.1	1.1	272.7%
Lease liabilities	201.2	4.8	4091.7%
Other non-current liabilities	40.2	33.7	19.3%
Total liabilities	313.1	115.7	170.6%
Total shareholders' equity	1,731.6	1,796.8	-3.6%
Total liabilities and shareholders' equity	2,044.7	1,912.5	6.9%

As at 30 September 2020, total assets is equaled to Baht 2,044.7 million, increased 6.9% from the end of 2019. Change in total assets was mainly from increase in cash and cash equivalents, inventories, right-of-use assets and other non-current assets as well as decrease in other current financial assets, trade and other receivables and advance payment for inventories.

Total liabilities is equaled to Baht 313.1 million, increased 170.6% from the end of 2019. Change in total liabilities was mainly from increase in trade and other payables, other current liabilities and lease liabilities and decrease in accrued income tax.

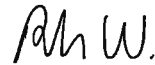
Total shareholders' equity is equaled to Baht 1,731.6 million, decreased 3.6% from the end of 2019. This was resulted from decrease in the Company's operation result and dividend payment.

Cash flow for the period ended 30 September 2020

Cash flows receiving from operating activities was equaled to Baht 96.6 million. This was mainly from Company's operating result. Cash flows receiving from investing activities was equaled to Baht 396.7 million. This was mainly from net receive of disposal of other current financial assets and equipment and intangible purchase. Cash flows using from financing activities was equaled to Baht 62.6 million. This was mainly from paid for lease liabilities principle with interest expense and dividend payment.

Please be informed accordingly.

Sincerely yours,



Papitch Wongpaitoonpiya
Chief Executive Officer

