



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

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24 February 2022

Subject: Management's Discussion and Analysis
for the three-month period ended 31 December 2021

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 period and the year ended 31 December 2021 as follows :-

Summary of consolidated income statement for the three-month period and the year ended 31 December 2021

Unit : Million Baht

	Q4			For the year ended 31 December		
	2021	2020	Change	2021	2020	Change
Revenue from sales	321.8	315.6	2.0%	896.4	949.0	-5.5%
Other income	8.3	5.9	-40.7%	24.4	18.5	31.9%
Total revenues	330.1	321.5	2.7%	920.8	967.5	-4.8%
Cost of sales	141.1	157.3	-10.3%	441.0	449.6	-1.9%
Selling and administrative expenses	135.7	141.4	-4.0%	418.4	484.3	-13.6%
Loss (Gain) on disposal and change in value of other current financial assets	11.3	(3.9)	389.7%	22.8	30.7	-25.7%
Profit before finance costs and income tax expense	42.0	26.7	57.3%	38.6	2.9	1231.0%
Finance costs	1.0	0.2	400.0%	4.6	6.4	-28.1%
Tax expense (income)	6.9	-	100.0%	6.5	(4.9)	-232.7%
Net profit (loss) for the period / year	34.1	26.5	28.7%	27.5	1.4	1864.3%

Operating result for the three-month period ended 31 December 2021

The Company had total revenue from sales in 4Q21 of Baht 321.8 million, 2.0% increased from the same period of last year. Improvement in consumer spending was resulted from the relaxation of COVID-19 control measures, Thailand border reopening, and New Year's festival.

Meanwhile, total other income is Baht 8.3 million, increased 40.7% from the same period of last year, which was due to an increase of interest income, dividend income and gain from termination of lease agreement.

The consolidated gross profit is Baht 180.7 million with gross profit margin of 56.1%. Increase in gross profit margin was resulted from decrease in sales discount.

Selling and administrative (SG&A) expenses equaled Baht 135.7 million, decreased 4.0% from the same period of last year. The proportion of SG&A expenses to total revenue from sales is 42.2%. Decrease in SG&A expenses mainly came from staff expense, depreciation and other expenses.

The Company had the loss on disposal and change in other current financial assets of Baht 11.3 million due to decrease in fair value of investment in other current financial assets.

The Company's total net profit is Baht 34.1 million, increased 28.7% from the same period last year. Net profit margin of 4Q21 is 10.6%.

Operating result for the year ended 31 December 2021

The Company had total revenue from sales of Baht 896.4 million, 5.5% decrease from the same period of the year 2020. The Company's revenue was impacted from COVID-19 outbreak that worsened during third quarter of the year. The government had declared lockdown measures which largely affected all economic activities from mid-July to end of August. Majority of the Company's distribution channels (Mono-brand stores and Shop-in-Shop in the department stores) were forced to close temporarily. However, the Company has expanded its online distribution channels through various marketplace platforms and social commerce in order to compensate with sales from physical stores.

Total other income equaled to Baht 24.4 million, increased 31.9% from the year 2020. This is mainly due to increase of interest income, dividend income, compensation, gain from exchange rate and gain from termination of lease agreement.

The consolidated gross profit is Baht 455.4 million with gross profit margin of 50.8%.

Selling and administrative (SG&A) expenses equaled to Baht 418.4 million, decreased 13.6% from the year 2020. Decrease in SG&A expense mainly came from marketing expense, staff expense, depreciation and other expenses.

The Company recorded loss on disposal and change in other current financial assets (current investments) of Baht 22.8 million due to decrease in fair value of investment in other current financial assets.

Total finance cost of the Company is Baht 4.6 million, 28.1% decrease from the year 2020.

The Company's total net profit is Baht 27.5 million with net profit margin of 3.1%

Summary of consolidated statement of financial position as at 31 December 2021

	Unit : Million Baht		
	31 December 2021	31 December 2020	Change
Cash and cash equivalents	744.9	1,014.9	-26.6%
Other current financial assets	595.4	215.1	176.8%
Trade and other receivables	154.1	140.3	9.8%
Inventories	230.8	260.0	-11.2%
Advance payment for inventories	20.7	7.4	179.7%
Other current assets	18.9	27.7	-31.8%
Property, plant and equipments	142.1	145.8	-2.5%
Right of use assets	192.3	163.8	17.4%
Other non-current assets	68.5	83.0	-17.5%
Total assets	2,167.7	2,058.0	5.3%
Trade and other payables	116.8	78.3	49.2%
Accrued income tax	3.4	2.2	54.5%
Other current liabilities	4.8	1.1	336.4%
Lease liabilities	212.6	177.9	19.5%
Other non-current liabilities	34.8	41.7	-16.5%
Total liabilities	372.4	301.2	23.6%
Total shareholders' equity	1,795.3	1,756.8	2.2%
Total liabilities and shareholders' equity	2,167.7	2,058.0	5.3%

As at 31 December 2021, total assets is equaled to Baht 2,167.7 million, increased 5.3% from the end of 2020. This is mainly from increase in other current financial assets, trade and other receivables, advance payment for inventories and right of use assets as well as decrease in cash and cash equivalents, inventories, other current assets and other non-current assets.

Total liabilities is equaled to Baht 372.4 million, increased 23.6% from the end of 2020. This is mainly from increase in trade and other payables, accrued income tax, other current liabilities and lease liabilities as well as decrease in other non-current liabilities.

Total shareholders' equity is equaled to Baht 1,795.3 million, increased 2.2% from the end of 2020. This was resulted from increase in the Company's operation result.

Cash flow for the year ended 31 December 2021

Cash flows receiving from operating activities was equaled to Baht 165.5 million, which was mainly from Company's operating result. Cash flows using from investing activities was equaled to Baht 397.9 million. This was mainly from investment in other current financial assets and equipment purchase. Cash flows using from financing activities was equaled to Baht 40.4 million. This was mainly from paid for lease liabilities principle with interest expense.

Please be informed accordingly.



Sincerely yours,

A handwritten signature in blue ink, appearing to read 'P.W.' or similar initials, written in a cursive style.

Papitch Wongpaitoonpiya
Chief Executive Officer