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RICH SPORT PUBLIC COMPANY LIMITED

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23 February 2023

Subject: Management's Discussion and Analysis
for the three-month period ended 31 December 2022

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 2022 as follows:-

Summary of consolidated income statement for the three-month period and the year ended 31 December 2022

Unit : Million Baht

	Q4			For the year ended 31 December		
	2022	2021	Change	2022	2021	Change
Revenue from sales	397.1	321.8	23.4%	1,268.2	896.4	41.5%
Other income	7.2	7.8	-7.7%	26.3	23.8	10.5%
Total revenues	404.3	329.6	22.7%	1,294.5	920.2	40.7%
Cost of sales	160.1	141.1	13.5%	560.2	441.0	27.0%
Selling and administrative expenses	183.2	134.7	36.0%	577.6	418.4	38.0%
Loss (Gain) on disposal and change in value of other current financial assets	(7.6)	11.8	-164.4%	5.5	22.2	-75.2%
Profit (loss) before finance costs and income tax expense	68.6	42.0	63.3%	151.2	38.6	291.7%
Finance costs	2.1	1.0	110.0%	7.6	4.6	65.2%
Tax expense (income)	13.8	6.9	100.0%	29.8	6.5	358.5%
Profit (loss) for the period	52.7	34.1	54.5%	113.8	27.5	313.8%

Operating result for the three-month period ended 31 December 2022

During the 4th quarter of 2022, Thai economy has continued to recover as Covid-19 pandemic situation has got better and an improvement in Thai tourism sector has resulted in increasing job employment and growth in private consumption. Moreover, the festive seasons like Christmas and New Year had helped stimulating consumer spending.

The Company had total revenue from sales in 4Q22 of Baht 397.1 million, 23.4% increased from the same period of last year. Total other income is Baht 7.2 million, decreased 7.7% from the same period of last year.

The Company's consolidated gross profit is Baht 237.0 million, 31.1% increased from the same period last year. An improvement in Gross Profit Margin from 56.1% to 59.7% was resulted from better management of sales promotion.

Selling and administrative (SG&A) expenses equaled to Baht 183.2 million, 36.0% increased from the same period last year. An increase in SG&A expenses was mainly resulted from personal, marketing, and other expenses which are variable to sales. However, the Company has continued to control these expenses according to sales.

The Company recognized loss on change in fair value of other current financial assets equaled to Baht 7.6 million due to increase in price of securities.

The Company's total net profit of the Quarter is Baht 52.7 million with net profit margin of 13.3%.

Operating result for the year ended 31 December 2022

In 2022, Thai economy had improved from last year as Covid-19 pandemic situation has improved. Most of the countries announced reduction in travel restrictions which has benefited Thai tourism sector. Economic activities in Thailand has gradually returned to normal after the government announced Thailand's reopening during mid of 2022 with the government support through energy price relief plan and tax stimulus program.

The Company's revenue from sales for the year 2022 is Baht 1,268.2 million, increased 41.5% from the same period last year.

Other income is Baht 26.3 million, increased 10.5% from last year due to increase in dividend received, gain from change in lease agreement and decrease in interest received.

The Company's consolidated gross profit is Baht 708.0 million, increase of Baht 252.6 million from the same period last year. Gross Profit Margin has increased from 50.8% to 55.8%, which was resulted from better management of sales promotion by the Company.

Selling and administrative (SG&A) expenses equaled to Baht 577.6 million, increased 38.0% from last year. The increase of SG&A expenses mainly resulted from personal, marketing, and other expenses which are variable to sales. However, the Company has continued to control these expenses according to sales.

The Company recognized loss on change in fair value of other current financial assets equaled to Baht 5.5 million due to decrease in price of securities.

The Company's total net profit is Baht 113.8 million with net profit margin of 9.0%.

Summary of consolidated statement of financial position as at 31 December 2022

Unit : Million Baht

	31 December 2022	31 December 2021	Change
Cash and cash equivalents	366.5	744.9	-50.8%
Other current financial assets	748.3	595.4	25.7%
Trade and other receivables	155.9	154.1	1.2%
Inventories	347.2	230.8	50.4%
Other current assets	123.8	39.6	212.7%
Other non-current financial assets	37.0	-	100.0%
Property, plant and equipments	164.3	142.1	15.6%
Right-of-use assets	207.8	192.3	8.1%
Other non-current assets	76.2	68.5	11.2%
Total assets	2,227.0	2,167.7	2.7%
Trade and other payables	168.1	116.8	43.9%
Accrued income tax	13.9	3.4	308.8%
Other current liabilities	2.8	4.8	-41.7%
Lease liabilities	216.4	212.6	1.8%
Other non-current liabilities	39.5	34.8	13.5%
Total liabilities	440.7	372.4	18.3%
Total shareholders' equity	1,786.3	1,795.3	-0.5%
Total liabilities and shareholders' equity	2,227.0	2,167.7	2.7%

The Company's total assets is Baht 2,227.0 million, increased 2.7% from the end of 2021. This is mainly from increase in other current financial assets, inventory, other current assets, other non-current financial assets, property plant and equipment and right of use assets and decrease in cash and cash equivalents.

Total liabilities is Baht 440.7 million, increased 18.3% from the end of 2021. This was mainly from increase in trade and other payables, accrued income tax decrease other current liabilities.

Total shareholders' equity is Baht 1,786.3 million, slightly decreased 0.5% from the end of 2021 due to dividend paid.

Cash flow for the year ended 31 December 2022

Net cash flows receiving from operating activities is Baht 79.3 million, resulted mainly from the Company's operating results. Net cash flows using from investing activities is Baht 261.8 million, resulted mainly from the Company's investment in other financial assets, equipment and intangible assets purchase. Net cash flows using from financing activities is Baht 181.2 million, which was mainly from dividend paid and paid for lease liabilities principles and interest and proceed from share subscription from non-controlling interest.

Please be informed accordingly.



Sincerely yours,

Papitch Wongpaitoonpiya
Chief Executive Officer