



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

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14 May 2019

**Subject: Management's Discussion and Analysis
for the three-month ended 31 March 2019**

**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 ended 31 March 2019 as follows:-

Unit: Million Baht

	Q1		
	2019	2018	Change
Revenue from sales	335.0	335.3	-0.1%
Other income	9.8	6.4	53.1%
Total revenues	344.8	341.7	0.9%
Cost of sales	142.4	133.6	6.6%
Selling and administrative expenses	139.0	131.5	5.7%
Profit before finance costs and income tax expense	63.4	76.6	-17.2%
Finance costs	0.1	0.1	0.0%
Income tax expense	11.7	15.3	-23.5%
Net profit	51.6	61.2	-15.7%

The Company had total revenue from sales equaled to Baht 335.0 million, which is about the same as the first quarter of 2018. However, if we compare only sales from products under Company's licensed brands, sales had increased from the same period of last year by Baht 6.2 million or 1.9%. This is because sales in the first quarter of 2018 comprised of sales from products under Company's licensed brands equaled to Baht 328.8 million and sales from OEM customers equaled to Baht 6.5 million.

The Company had total cost of sales equaled to Baht 142.4 million, or 42.5%. However, in the first quarter of 2018, the Company adjusted the write-down of cost of inventory by Baht 9.6 million. If we had taken out the adjustment of inventory write-down, the total cost of sales would be Baht 143.2 million, or a 42.7%, which is about the same as total cost of sales in this quarter.

The consolidated gross profit of the Company is Baht 192.6 million, or 57.5%. Selling and administrative expenses is equaled to Baht 139 million, increasing 5.9% from the same period of last year due to new stores opening in 2018 and marketing activities. The Company's net profit is Baht 51.6 million or 15.4% of total revenue.

Financial position as at 31 March 2019 and 31 December 2018

Unit : Million Baht

	31 March 2019	31 December 2018	Change
Cash and cash equivalents	560.7	556.9	0.7%
Current investment	585.1	475.9	22.9%
Trade and other receivables	155.0	207.5	-25.3%
Inventories	425.4	426.6	-0.3%
Advance payment for inventories	60.6	66.7	-9.1%
Other current assets	34.9	45.8	-23.8%
Non-current assets	202.6	200.5	1.0%
Total assets	2,024.3	1,979.9	2.2%
Trade and other payables	60.8	68.8	-11.6%
Accrued income tax	36.2	24.4	48.4%
Other current liabilities	2.9	17.6	-83.5%
Non-current liabilities	30.5	29.8	2.3%
Total liabilities	130.4	140.6	-7.3%
Total shareholders' equity	1,893.9	1,839.3	3.0%
Total liabilities and shareholders' equity	2,024.3	1,979.9	2.2%

As at 31 March 2019, the Company's total assets equals Baht 2,024.3 million, increasing by 2.2% from the end of 2018 due to increase in cash and cash equivalents, current investment and decrease in trade and other receivables, advance payment for inventories and other current assets. Total liabilities equals to Baht 130.4 million, decreasing by 7.3% from the end of 2018 due to reduction in trade and other payables and other current liabilities and increase in accrued income tax. Total shareholders' equity equals Baht 1,893.9 million, increasing by 3.0% from the end of 2018 due to the Company's operation result increase.

Cash flow for the year ended 31 March 2019

The Company had cash flows receiving from operating activities of Baht 110.4 million due to the operating result. Cash flows using in investing activities of Baht 107.6 million as the Company invested in current investment and purchase equipment. Cash flows receiving from financing activities of Baht 1.1 million, which is proceed from share subscription from the non-controlling interest and paid for finance lease agreement.

Please be informed accordingly.



Sincerely yours,



Papitch Wongpaitoonpiya
Chief Executive Officer