



บริษัท ริช สปอร์ต จำกัด (มหาชน)
RICH SPORT PUBLIC COMPANY LIMITED

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Subject: Management's Discussion and Analysis
for the three-month and six-month ended 30 June 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 and six-month ended 30 June 2019 as follows:-

Summary of income statement for the 3-month period and 6-month period ended 30 June 2019 and 30 June 2018 (Consolidated)

Unit : Million Baht

	Q2			For six-month period		
	2019	2018	Change	2019	2018	Change
Revenue from sales	316.3	287.8	9.9%	651.3	623.1	4.5%
Other income	10.5	6.5	61.5%	20.2	13.0	55.4%
Total revenues	326.8	294.3	11.0%	671.5	636.1	5.6%
Cost of sales	140.9	131.2	7.4%	283.2	264.9	6.9%
Selling and administrative expenses	129.7	128.5	0.9%	268.7	260.1	3.3%
Profit before finance costs and income tax expense	56.2	34.6	62.4%	119.6	111.1	7.7%
Finance costs	0.1	0.1	0.0%	0.2	0.1	100.0%
Income tax expense	7.9	7.7	2.6%	19.6	23.0	-14.8%
Net profit	48.2	26.8	79.9%	99.8	88.0	13.4%

Operating result for the 3-month period ended 30 June 2019

The Company had total revenue from sales of Baht 316.3 million, increased 9.9% from 2Q18. The growth was mainly driven by growth of existing and new stores as well as additional sales from "BARREL" brand that the Company has launched in this quarter.

The consolidated gross profit of 2Q19 is Baht 175.4 million with gross profit margin of 55.5%.

Other income is Baht 10.5 million, increased 61.5% from 2Q18. This is mainly due to interest income from financial institutions and gain from current investments.

Selling and administrative (SG&A) expenses equaled to Baht 129.7 million, increased 0.9% from 2Q18. The proportion of SG&A expenses to total revenue is 41.0%.

The Company's total net profit is Baht 48.2 million, increased 79.9% from 2Q18. The net profit margin of 2Q19 is 15.2%.

Operating result for 6-month period ended 30 June 2019

The Company had total revenue from sales of Baht 651.3 million, increased 4.5% from 1H18.

The consolidated gross profit of 1H19 is Baht 368.1 million with gross profit margin of 56.5%.

Other income is Baht 20.2 million, increased 55.4% from 1H18. This is mainly due to interest income from financial institutions and gain from short-term investments.

Selling and administrative (SG&A) expenses equaled to Baht 268.7 million, increased 3.3% from the same period last year.

The Company's total net profit is Baht 99.8 million, increased 13.4% from 1H18. The net profit margin of 1H19 is 15.3%.

Summary of statement of financial position as of 30 June 2019 and 31 December 2018 (Consolidated)

Unit : Million Baht

	30 June 2019	31 December 2018	Change
Cash and cash equivalents	390.9	556.9	-29.8%
Current investment	759.3	475.9	59.6%
Trade and other receivables	150.1	207.5	-27.7%
Inventories	403.1	426.6	-5.5%
Advance payment for inventories	22.8	66.7	-65.8%
Other current assets	32.3	45.8	-29.5%
Non-current assets	215.4	200.5	7.4%
Total assets	1,973.9	1,979.9	-0.3%
Trade and other payables	53.2	68.8	-22.7%
Accrued income tax	19.5	24.4	-20.1%
Other current liabilities	2.6	17.6	-85.2%
Non-current liabilities	33.9	29.8	13.8%
Total liabilities	109.2	140.6	-22.3%
Total shareholders' equity	1,864.7	1,839.3	1.4%
Total liabilities and shareholders' equity	1,973.9	1,979.9	-0.3%

As of 30 June 2019, total assets amounted to Baht 1,973.9 million, decreased by 0.3% from the end of 2018, mainly from decrease in cash and cash equivalents, trade and other receivables, advance payment for inventories and other current assets and increase in current investment.

Total liabilities amounted to Baht 109.2 million, decreased 22.3% from the end of 2018, mainly from payment of trade and other payables, accrued income tax and other current liabilities and increase in non-current liabilities.

Total shareholders' equity was Baht 1,864.7 million, increased 1.4% from the end of 2018, resulted from increase in the Company's operation result.

Cash flow for the period ended 30 June 2019

Cash flows receiving from operating activities amounted to Baht 207.9 million, mainly from operating result. Cash flows using in investing activities amounted to Baht 297.1 million, mainly from the Company's current investment, long-term investment and equipment purchase. Cash flows using from financing activities amounted to Baht 76.3 million, mainly from proceed from share subscription from the non-controlling interest, paid for finance lease agreement and paid for dividend.

Please be informed accordingly.

Sincerely yours,



Papitch Wongpaitoonpiya
Chief Executive Officer

