



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

116/20 ถนน รามวงค์ แขวงคลองเตย เขตคลองเตย กรุงเทพมหานคร 10110 โทร. 0-2249-8709 โทรสาร. 0-2249-8711

116/20 Na Ranong Road, Klong Toey, Bangkok 10110 Thailand Tel. 0-2249-8709 Fax. 0-2249-8711

เลขประจำตัวผู้เสียภาษีอากร 0107560000257

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

Summary of consolidated income statement for the 3-month period and 9-month period ended 30 September 2019

Unit : Million Baht

	Q3			For nine-month period		
	2019	2018	Change	2019	2018	Change
Revenue from sales	293.5	293.7	-0.1%	944.8	916.7	3.1%
Other income	16.1	8.6	87.2%	36.3	21.5	68.8%
Total revenues	309.6	302.3	2.4%	981.1	938.2	4.6%
Cost of sales	135.5	127.4	6.4%	418.7	392.2	6.8%
Selling and administrative expenses	133.1	141.1	-5.7%	401.8	401.2	0.1%
Profit before finance costs and income tax expense	41.0	33.8	21.3%	160.6	144.8	10.9%
Finance costs	0.1	0.1	-16.7%	0.2	0.2	33.3%
Income tax expense	8.1	8.1	0.0%	27.7	31.1	-10.9%
Net profit	32.9	25.6	28.1%	132.7	113.6	16.9%

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

The Company had total revenue from sales of Baht 293.5 million, almost as equaled to 3Q18 revenue from sales.

The consolidated gross profit is Baht 158 million with gross profit margin of 53.8%.

Other income is Baht 16.1 million, increased 87.2% from 3Q18. This is mainly from interest income from financial institutions and gain from current investments.

Selling and administrative (SG&A) expenses equaled to Baht 133.1 million, decreased 5.7% from 3Q18. The proportion of SG&A expenses to total revenue is 45.0%.

The Company's total net profit is Baht 32.9 million, increased 28.1% from 3Q18. The net profit margin of 3Q19 is 11.2%.

Operating result for 9-month period ended 30 September 2019

The Company had total revenue from sales of Baht 944.8 million, increased 3.1% from the same period last year.

The consolidated gross profit is Baht 526.1 million with gross profit margin of 55.7%.

Other income is Baht 36.3 million, increased 68.8% from the same period last year. 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 401.8 million, almost equals to the same period last year.

The Company's total net profit is Baht 132.7 million, increased 16.9% from the same period last year. The net profit margin is 14.0%.

Summary of consolidated statement of financial position as of 30 September 2019 and 31 December 2018

Unit : Million Baht

	30 September 2019	31 December 2018	Change
Cash and cash equivalents	551.5	556.9	-1.0%
Current investment	694.9	475.9	46.0%
Trade and other receivables	117.0	207.5	-43.6%
Inventories	346.6	426.6	-18.8%
Advance payment for inventories	44.0	66.7	-34.0%
Other current assets	30.0	45.8	-34.5%
Non-current assets	215.3	200.5	7.4%
Total assets	1,999.3	1,979.9	1.0%
Trade and other payables	54.9	68.8	-20.2%
Accrued income tax	7.1	24.4	-70.9%
Other current liabilities	4.8	17.6	-72.7%
Non-current liabilities	35.0	29.8	17.4%
Total liabilities	101.8	140.6	-27.6%
Total shareholders' equity	1,897.5	1,839.3	3.2%
Total liabilities and shareholders' equity	1,999.3	1,979.9	1.0%

As of 30 September 2019, total assets amounted to Baht 1,999.3 million, increased by 1.0% 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 101.8 million, decreased 27.6% 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 1,897.5 million, increased 3.2% from the end of 2018, resulted from increase in the Company's operation result.

Cash flow for the period ended 30 September 2019

Cash flows receiving from operating activities amounted to Baht 295.2 million, mainly from operating result. Cash flows using in investing activities amounted to Baht 224.4 million, mainly from the Company's current investment, long-term investment and equipment purchase. Cash flows using from financing activities amounted to Baht 75.6 million, mainly from proceed from share subscription from the non-controlling interest, paid for finance lease agreement and paid for dividends.

Please be informed accordingly.

Sincerely yours,



Papitch Wongpaitoonpiya
Chief Executive Officer

