



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

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21 February 2020

Subject: Management's Discussion and Analysis
for the three-month period and for the year ended 31 December 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 period and for the year ended 31 December 2019 as follows:-

Summary of consolidated income statement for the 3-month period and for the year ended 31 December 2019

Unit : Million Baht

	Q4			For the year ended 31 December		
	2019	2018	Change	2019	2018	Change
Revenue from sales	323.5	356.5	-9.3%	1,268.3	1,273.2	-0.4%
Other income	(2.7)	8.3	-132.5%	33.6	29.8	12.8%
Total revenues	320.8	364.8	-12.1%	1,301.9	1,303.0	-0.1%
Cost of sales	148.6	154.7	-3.9%	567.3	546.9	3.7%
Selling and administrative expenses	146.9	148.9	-1.3%	548.8	550.1	-0.2%
Profit before finance costs and income tax expense	25.3	61.2	-58.7%	185.8	206.0	-9.8%
Finance costs	0.1	0.1	-16.7%	0.2	0.2	0.0%
Income tax expense	7.1	17.1	-58.2%	34.8	48.2	-27.8%
Net profit	18.1	44.0	-58.9%	150.8	157.6	-4.3%

Operating result for the 3-month period ended 31 December 2019

The Company had total revenue from sales of Baht 323.5 million, 9.3% decreased from 4Q18. This was mainly resulted from economy slowdown and weakening consumption.

The consolidated gross profit is Baht 174.9 million with gross profit margin of 54.1%. The decrease in gross profit margin was resulted from increase in sales promotion.

Other income is Baht -2.7 million, decreased 132.5% from 4Q18. This is mainly from decreased in gain from current investments.

Selling and administrative (SG&A) expenses equaled to Baht 146.9 million, decreased 1.3% from 4Q18. The proportion of SG&A expenses to total revenue is 45.4%.

The Company's total net profit is Baht 18.1 million, decreased 58.9% from 4Q18. The net profit margin of 4Q19 is 5.6%.

Operating result for the year ended 31 December 2019

The Company had total revenue from sales of Baht 1,268.3 million, almost as equaled to last year.

The consolidated gross profit is Baht 701.0 million with gross profit margin of 55.3%.

Other income is Baht 33.6 million, increased 12.8% from 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 548.8 million, almost equals to the last year. The proportion of SG&A expenses to total revenue is 43.3%

The Company's total net profit is Baht 150.8 million, decreased 4.3% from last year. The net profit margin is 11.9%.

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

Unit : Million Baht

	31 December 2019	31 December 2018	Change
Cash and cash equivalents	461.9	556.9	-17.1%
Current investment	698.7	475.9	46.8%
Trade and other receivables	147.9	207.5	-28.7%
Inventories	297.5	426.6	-30.3%
Advance payment for inventories	61.3	66.7	-8.1%
Other current assets	24.0	45.8	-47.6%
Non-current assets	221.2	200.5	10.3%
Total assets	1,912.5	1,979.9	-3.4%
Trade and other payables	61.0	68.8	-11.3%
Accrued income tax	15.1	24.4	-38.1%
Other current liabilities	3.1	17.6	-82.4%
Non-current liabilities	36.5	29.8	22.5%
Total liabilities	115.7	140.6	-17.7%
Total shareholders' equity	1,796.8	1,839.3	-2.3%
Total liabilities and shareholders' equity	1,912.5	1,979.9	-3.4%

As at 31 December 2019, total assets amounted to Baht 1,912.5 million, decreased by 3.4% from the end of 2018, mainly from decrease in cash and cash equivalents, trade and other receivables, inventories, advance payment for inventories and other current assets and increase in current investment.

Total liabilities amounted to Baht 115.7 million, decreased 17.7% from the end of 2018, mainly from decreased in trade and other payables, accrued income tax and other current liabilities and increase in non-current liabilities.

Total shareholders' equity was Baht 1,796.8 million, decreased 2.3% from the end of 2018, resulted from purchase the treasury stock and increased in the Company's operation result.

Cash flow for the year ended 31 December 2019

Cash flows receiving from operating activities amounted to Baht 346.8 million, mainly from operating result. Cash flows using in investing activities amounted to Baht 247.9 million, mainly from the Company's current investment, long-term investment and equipment purchase. Cash flows using from financing activities amounted to Baht 193.1 million, mainly from proceed from share subscription from the non-controlling interest, paid for finance lease agreement, paid for dividends and paid for purchase the treasury stock.

Please be informed accordingly.



Sincerely yours,

P.W.

Papitch Wongpaitoonpiya
Chief Executive Officer