



บริษัท ริช สปอร์ต จำกัด (มหาชน)

RICH SPORT PUBLIC COMPANY LIMITED

116/20 ถนน รามวงค์ แขวงคลองจั่น เขตคลองจั่น กรุงเทพฯ 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

12 May 2020

Subject: Management's Discussion and Analysis
for the three-month period ended 31 March 2020

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 ended 31 March 2020 as follows:-

Summary of consolidated income statement for the 3-month period ended 31 March 2020

Unit : Million Baht

	Q1		
	2020	2019	Change
Revenue from sales	225.6	335.0	-32.7%
Other income	8.5	9.8	-13.3%
Total revenues	234.1	344.8	-32.1%
Cost of sales	100.3	142.4	-29.6%
Selling and administrative expenses	120.2	139.0	-13.5%
Loss on disposal and change in value of other current financial assets (Current investment)	41.3	-	100.0%
Profit before finance costs and income tax expense	(27.7)	63.4	-143.7%
Finance costs	2.3	0.1	3733.3%
Income tax expense	(0.9)	11.7	-107.7%
Net profit	(29.1)	51.6	-156.4%

Operating result for the 3-month period ended 31 March 2020

The Company had total revenue from sales of Baht 225.6 million, 32.7% decreased from the same period last year. The Company's revenue was impacted by the Coronavirus disease 2019 pandemic that continues to evolve, resulted in economy slowdown and adversely affected most business and industries especially closure of shopping malls and department stores in Bangkok and upcountry provinces during the end of March 2020.

The consolidated gross profit is Baht 125.3 million with gross profit margin of 55.5%. The decrease in gross profit margin was resulted from increase in sales promotion to attract customers during economy slowdown.

Other income is Baht 8.5 million, decreased 13.3% from the same period last year. This is mainly from decrease in gain on disposal of other current financial assets and interest income.

Selling and administrative (SG&A) expenses equaled to Baht 120.2 million, decreased 13.5% from the same period last year. The proportion of SG&A expenses to total revenue from sales is 53.3%.

Loss on disposal and change in other current financial assets (current investments) equaled to Baht 41.3 million which consist of unrealized loss on change in other current financial assets amounted of Baht 29.0 million.

The Company's total net loss is Baht 29.1 million, decreased 156.4% from the same period last year. The net loss margin of 1Q20 is 12.9%.

Summary of consolidated statement of financial position as at 31 March 2020

Unit : Million Baht

	31 March 2020	31 December 2019	Change
Cash and cash equivalents	958.2	461.9	107.4%
Other current financial assets	209.8	698.7	-70.0%
Trade and other receivables	84.6	147.9	-42.8%
Inventories	321.8	297.5	8.2%
Advance payment for inventories	48.4	61.3	-21.0%
Other current assets	34.0	24.0	41.7%
Property, plant and equipments	135.5	150.1	-9.7%
Right of use assets	197.5	-	100.0%
Other non-current assets	71.9	71.1	1.1%
Total assets	2,061.7	1,912.5	7.8%
Trade and other payables	43.1	61.0	-29.3%
Accrued income tax	15.1	15.1	0.0%
Other current liabilities	40.0	1.1	3536.4%
Lease liabilities	201.2	4.8	4091.7%
Other non-current liabilities	35.3	33.7	4.7%
Total liabilities	334.7	115.7	189.3%
Total shareholders' equity	1,727.0	1,796.8	-3.9%
Total liabilities and shareholders' equity	2,061.7	1,912.5	7.8%

As at 31 March 2020, total assets amounted to Baht 2,061.7 million, increased by 7.8% from the end of 2019, mainly from increase in cash and cash equivalents, inventories, other current assets and right-of-use assets and decrease in other current financial assets, trade and other receivables, advance payment for inventories and property, plant and equipment.

Total liabilities amounted to Baht 334.7 million, increased 189.3% from the end of 2019, mainly from increased in other current liabilities, lease liabilities and other non-current liabilities and decrease in trade and other payables.

Total shareholders' equity was Baht 1,727.0 million, decreased 3.9% from the end of 2019, resulted from decreased in the Company's operation result and adjustment to the retained earnings as at 1 January 2020.

Cash flow for the year ended 31 March 2020

Cash flows receiving from operating activities amounted to Baht 43.9 million, mainly from operating result. Cash flows receiving from investing activities amounted to Baht 458.5 million, mainly from net receive of disposal of other current financial assets and equipment and intangible purchase. Cash flows using from financing activities amounted to Baht 8.2 million, mainly from proceed from share subscription from the non-controlling interest, paid for lease liabilities principle and interest.

Please be informed accordingly.

Sincerely yours,



Papitch Wongpaitoonpiya
Chief Executive Officer

