

August 12, 2017

Subject: Management Discussion and Analysis
 For the three-month period ended June 30, 2017
 To: The President,
 The Stock Exchange of Thailand

Home Pottery Public Company Limited ("The Company") would like to submit the Management Discussion and Analysis of the Company's operation for the three-month period ended 30 June, 2017 with details as follows:

Unit: Million Baht

Statement of Comprehensive Income	Financial Statement, in which the equity method is applied	Separate Financial Statement		Changes (Separate Financial Statement)	
	30-Jun-17	30-Jun-17	30-Jun-16	(Million Baht)	%
Revenue from Sales	38.87	39.04	29.32	9.72	33.16
Other Revenue	0.51	0.51	0.39	0.12	30.86
Total Revenue	39.38	39.55	29.71	9.84	33.13
Costs of Sales	(27.78)	(27.84)	(20.82)	7.02	33.74
Selling Expenses	(2.79)	(2.79)	(2.67)	0.12	4.62
Administrative Expenses	(3.83)	(3.82)	(3.34)	0.48	14.54
Profit before share loss from investment in joint venture, financial costs and income tax expenses	4.98	5.10	2.88	2.22	76.72
Share of loss from investment in joint venture	(1.71)	0.00	0.00	0.00	N/A
Profit before financial costs and income tax expenses	3.27	5.10	2.88	2.22	76.74
Financial costs	(0.01)	(0.01)	(0.06)	(0.05)	(90.19)
Profit before income tax expenses	3.26	5.09	2.82	2.27	80.40
Income Tax	0.03	0.03	0.03	0.00	6.52
Profit for the period	3.29	5.12	2.85	2.27	79.64
Other comprehensive income					
Other comprehensive income	0.00	0.00	0.00	0.00	0.00
Total comprehensive income for the period	3.29	5.12	2.85	2.27	79.64

The separate Financial Statement of Home Pottery Public Company Limited ("the Company") for the three-month period ended 30 June 2017 showed total revenue of 39.55 million Baht. The cost of sales amounted to 27.84 million Baht, while selling and administrative expenses and financial costs were 6.62 million Baht in total. Net income for the period of the company was 5.12 million Baht. The changes are explained as follows;

Sales Revenues:

For the 2nd quarter of 2017, the Company generated a revenue from sales of 39.04 million Baht, increasing by 33.16% when compared to the same period in the previous year, which had a total revenue of 29.32 million Baht. This increase can be attributed to the increase in sales volume, both domestically and abroad especially from two primary customers of the Company and the higher average sale price derived from the higher sale proportion of decorative products.

Cost of sales, Expenses and Finance costs:

For the 2nd quarter of 2017, the cost of sales was 27.84 million Baht, increasing by 33.74% from the same period in the previous year which had a cost of sales of 20.82 million Baht.

The Company's gross profit was 11.21 million Baht which had a gross profit margin of 28.69%, decreasing from the period of previous year which had a gross profit margin of 29.00%. This decrease was mainly from higher production cost in accordance with higher sales volume and from machines' maintenance and development cost, and factory supplies.

For the 2nd quarter of 2017, the selling and administrative expenses was 6.61 million Baht, increasing from the same period of previous year which had a selling and administrative expenses of 6.01 million Baht, mainly due to the higher export and transportation expenses in accordance with higher sales volume.

For the 2nd quarter of 2017, the Company had financial costs of 0.01 million Baht, decreasing by 0.06 million Baht or 90.19% when compared to the same period of previous year, as the Company mostly relied on its own working capital rather than lending from financial institutions.

For the 2nd quarter of 2017, according to the financial statement, in which the equity method is applied, the Company realized a loss incurred from its investment in Central Hospitality Co., Ltd. of 1.71 million Baht, under its 75% shareholding proportion. Therefore, the Company's Revenue for three-month period ended 30 June, 2017 in the financial statement in which the equity method is applied was 38.87 Million Baht, and its net profit was 3.29 million Baht, which is less than the Company's separate financial statement by 1.82 Million Baht. The loss was from the fact that Central Hospitality Co., Ltd was in the introduction stage of business operation.

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Please be informed accordingly.

Best Regards,

Home Pottery Public Company Limited



(Mr. Niran Chourkittisopon)

Managing Director

