

February 25, 2022

Subject: Management Discussion and Analysis  
 For the year ended December 31, 2021  
 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 year 2021 ended 31 December, 2021 with details as follows:

Unit: Million Baht

(Unit: Million Baht)	Consolidated financial statements		Separate Financial Statement		Changes (separate financial statement)	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	(Million Baht)	%
Revenue from Sales	202.79	96.82	154.70	82.94	71.76	86.52
Other Revenue	5.46	3.23	4.56	3.01	1.55	51.50
<b>Total Revenue</b>	<b>208.25</b>	<b>100.05</b>	<b>159.26</b>	<b>85.95</b>	<b>73.31</b>	<b>85.29</b>
Costs of Sales	155.83	77.68	117.35	71.13	46.22	64.98
Cost of distributions	16.73	11.31	13.48	7.64	5.84	76.44
Administrative Expenses	17.39	19.40	12.52	11.87	0.65	5.48
<b>Total Expenses</b>	<b>189.95</b>	<b>108.39</b>	<b>143.35</b>	<b>90.64</b>	<b>52.71</b>	<b>58.15</b>
<b>Profit (loss) from operating activities</b>	<b>18.30</b>	<b>-8.34</b>	<b>15.91</b>	<b>-4.69</b>	<b>20.60</b>	<b>439.23</b>
Financial costs	-0.39	-0.39	-0.20	-0.18	-0.02	11.11
<b>Profit (loss) before tax income</b>	<b>17.91</b>	<b>-8.73</b>	<b>15.71</b>	<b>-4.87</b>	<b>20.58</b>	<b>422.59</b>
Tax income (expenses)	-2.67	0.29	-2.70	0.23	-2.93	1,273.91
<b>Profit (loss) for the year</b>	<b>15.24</b>	<b>-8.44</b>	<b>13.01</b>	<b>-4.64</b>	<b>17.65</b>	<b>380.39</b>
<u>Profit attributable to</u>						
Owners of the parent	15.20	-8.36				
Non- controlling interests	0.04	-0.08				

The separate Financial Statement of Home Pottery Public Company Limited ("the Company") for the year ended 31 December, 2021 showed total revenue of 159.26 million Baht. The cost of sales amounted to 117.35 million Baht, while cost of distributions and administrative expenses and financial costs were 26.20 million Baht in total. It was able to return to profit

showing a total net profit of 13.01 million baht and increased cash flow in the company. The changes are explained as follows.

Sales Revenues:

For the year of 2021, the Company generated a revenue from sales of 154.70 million Baht, increasing by 86.52% from the previous year, which had a total revenue of 82.94 million Baht. As the epidemic situation of Corona 2019 ("COVID-19") in the customer's country is getting better. Selling export to foreign countries began to return. The company's sales volume has increased more than the same period of 2020. Beside, the income from buying-in and selling-out the products according to the customer request.

Other Revenues:

For the year of 2021, the Company generated other revenue of 4.56 million Baht, increasing by 51.50% from the previous year, which had other revenue of 3.01 million Baht. Due to the company has been a distributor of ceramic home decoration products such as vases and floating sculptures which has developed products with partners by recognizing income as a commission.

Cost of sales, Cost of distributions and Administrative Expenses:

For the year of 2021, the cost of sales was 117.35 million Baht, increasing by 64.98% from the previous year, which had a cost of sales of 71.13 million Baht.

The Company's Gross Profit was 37.35 million Baht which had a Gross Profit Margin of 24.14%, increasing from previous year which had a Goss Profit Margin of 14.24%.

For the year 2021, the cost of distributions and administrative expenses was 26.00 million Baht, increasing from the previous year which had 19.51 million Baht, due to an increase in distribution costs. caused by agent commission and products distribution both in and abroad.

Net profit and Net profit margin

For the year 2021, the Company's Net Profit was 13.01 million Baht which had a Net Profit Margin of 8.17%, increase 380.39% from the previous year which had Net Loss of 4.64 million Baht. This increase resulted from increased sales volume compared to the same period last year Thus affecting the recognition of revenue, profits and increased profit margins.

In consolidated financial statements for the year 2020 have revenue from the sales of 208.25 million baht, cost of sales of 155.83 million baht and show net profit for the year of 15.24 million baht, with increased profits from the previous year. because the company and its subsidiaries has adjusted its strategies and marketing promotion both domestically and internationally. Beside the company have received more orders from America and Europe which are main customers. Because those countries economic had recovered from covid-19 pandemic.

In addition, the subsidiaries has been appointed as a distributor of products. From the manufacturer's alliance of ceramic plates - bowls, it is possible to expand the customer base in the group of premium products that are used to

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promote sales of food products sold in supermarkets or hypermarkets. The subsidiaries has adjusted its strategy to focus on domestic sales under the name Central Hospitality Company Limited (CHL) by expanding the household customer base and selling more products online. This makes sales of this product group clearly grow. The subsidiary's income is 23% from abroad and 77% in the country.

Please be informed accordingly.

Best Regards,



Home Pottery Public Company Limited

A handwritten signature in blue ink, appearing to read 'Niran', enclosed within a circular scribble.

(Mr. Niran Chourkittisopon)

Managing Director