

May 14, 2022

Subject: Management Discussion and Analysis For the three-month period ended March 31, 2022
 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 31 March, 2022 with details as follows:

Unit: Million Baht

	Consolidated financial statements		Separate Financial Statement		Changes (separate financial statement)	
	31/3/2022	31/3/2021	31/3/2022	31/3/2021	(Million Baht)	%
<i>(Unit: Million Baht)</i>						
Revenue from Sales	82.94	24.65	57.87	21.86	36.01	164.73
Other income	1.38	0.73	1.08	0.69	0.39	56.52
Total Revenue	84.32	25.38	58.95	22.55	36.40	161.42
Cost of Sales	63.90	21.68	42.29	20.47	21.82	106.60
Cost of distributions	5.65	3.39	4.75	2.67	2.08	77.90
Administrative Expenses	4.90	4.23	3.37	2.85	0.52	18.25
Total Expenses	74.45	29.30	50.41	25.99	24.42	93.96
Profit (loss) from operating activities	9.87	(3.92)	8.54	(3.44)	11.98	348.26
Financial costs	(0.09)	(0.11)	(0.04)	(0.06)	0.02	(33.33)
Profit (loss) before tax	9.78	(4.03)	8.50	(3.50)	12.00	342.86
Tax income (expenses)	(1.74)	0.06	(1.74)	0.06	(1.80)	3,000.00
Profit (loss) for the period	8.04	(3.97)	6.76	(3.44)	10.20	296.51
<u>Profit (loss) attributable to</u>						
Equity holders of the parent	8.02	(3.96)				
Non- controlling interests	0.02	(0.01)				

The separate Financial Statement of Home Pottery Public Company Limited (“the Company”) for the three-month period ended 31 March 2022 showed total revenue of 58.95 million Baht. This is the highest performance in history. The cost of sales amounted to 42.29 million Baht, while cost of distributions and administrative expenses and financial costs were 8.16 million Baht in total. It was able to return to profit showing a total net profit of 6.76 million baht. The changes are explained as follows.

Sales Revenues:

For the three-month period ended 31 March 2022, the Company generated a revenue from sales of 57.87 million Baht, increasing by 164.73% when compared to the same period in the previous year, which had a total revenue of 21.86 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 2021. Besides, the income from buying-in and selling-out the products according to the customer request.

Other Revenues:

For the three-month period ended 31 March 2022, the Company generated other revenue of 1.08 million Baht, increasing by 56.52% from the previous year, which had other revenue of 0.69 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 three-month period ended 31 March 2022, the cost of sales was 42.29 million Baht, increasing by 106.60% from the same period in the previous year which had a cost of sales of 20.47 million Baht. The Company's Gross Profit was 15.58 million Baht which had a Gross Profit Margin of 26.92%, increasing from the same period of previous year which had a Gross Profit Margin of 6.36%.

For the three-month period ended 31 March 2022, the cost of distributions and administrative expenses was 8.12 million Baht, increasing from the same period of previous year which had 5.52 million Baht, due to an increase in distribution costs. Caused by agent commission and products distribution and company PR expenses.

Net profit and Net profit margin

For the three-month period ended 31 March 2022, the Company's Net Profit was 6.76 million Baht which had a Net Profit Margin of 11.47%, increase 296.51% from the same period of the previous year which had Net Loss of 3.44 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.

The consolidated financial statements in the three-month period ended 31 March 2022, show total sales revenue of 84.32 million baht, cost of sales of 63.90 million baht and show net profit for the period of 8.04 million baht, with increased profits from the previous year. Because the company and its subsidiaries has adjusted its strategies and promoted marketing both domestically and internationally. And the company received more orders from America and Europe which are main customers. Because those countries economic had recovered from covid-19 pandemic. Please be informed accordingly. This is the highest performance in history.

Best Regards,

Home Pottery Public Company Limited

(Mr.Niran Chourkittisopon)
Managing Director