

November 11, 2022

Subject: Management Discussion and Analysis  
 For the three-month period ended September 30, 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 operation for the three-month period ended 30 September, 2022 with details as follows:

Unit: Million Baht

	Consolidated financial statements		Separate Financial Statement		Changes (separate financial statement)	
	30/9/2022	30/9/2021	30/9/2022	30/9/2021	(Million Baht)	%
(Unit: Million Baht)						
Revenue from Sales	83.85	64.35	68.41	47.64	20.77	43.60
Other Revenue	3.21	2.72	3.08	2.33	0.75	32.19
<b>Total Revenue</b>	<b>87.06</b>	<b>67.07</b>	<b>71.49</b>	<b>49.97</b>	<b>21.52</b>	<b>43.07</b>
Costs of Sales	59.31	49.04	47.51	34.55	12.96	37.51
Cost of distributions	6.07	4.81	5.07	4.06	1.01	24.88
Administrative Expenses	5.68	4.04	4.24	2.87	1.37	47.74
<b>Total Expenses</b>	<b>71.06</b>	<b>57.89</b>	<b>56.82</b>	<b>41.48</b>	<b>15.34</b>	<b>36.98</b>
<b>Profit from operating activities</b>	<b>16.00</b>	<b>9.18</b>	<b>14.67</b>	<b>8.49</b>	<b>6.18</b>	<b>72.79</b>
Finance costs	-0.18	-0.09	-0.14	-0.05	-0.09	180.00
<b>Profit before income tax</b>	<b>15.82</b>	<b>9.09</b>	<b>14.53</b>	<b>8.44</b>	<b>6.09</b>	<b>72.16</b>
Income tax	-2.89	-0.93	-2.89	-0.95	-1.94	204.21
<b>Profit for the period</b>	<b>12.93</b>	<b>8.16</b>	<b>11.64</b>	<b>7.49</b>	<b>4.15</b>	<b>55.41</b>
<u>Profit attributable to</u>						
Owners of the parent	12.90	8.15				
Non- controlling interests	0.03	0.01				

The separate Financial Statement of Home Pottery Public Company Limited (“the Company”) for the three-month period ended 30 September 2022 showed total revenue of 71.48 million Baht. This is the highest performance in history. The cost of sales amounted to 47.51 million Baht, while cost of distributions and administrative expenses and financial costs were 9.45 million Baht in total. It was able to return to profit showing a total net profit of 11.64 million baht. The changes are explained as follows.

**Sales Revenues:**

For the three-month period ended 30 September 2022, the Company generated a revenue from sales of 68.41 million Baht, increasing by 43.60% when compared to the same period in the previous year, which had a total revenue of 47.64 million Baht. As the epidemic situation of Corona 2019 ("COVID-19") in the customer country is getting better. Selling export to foreign countries began to return. The company sales volume has increased more than the same period of 2021. Besides, the income is come from buying-in and selling-out the products according to the customer request.

**Other Revenues:**

For the three-month period ended 30 September 2022, the Company generated other revenue of 3.08 million Baht, increasing by 32.19% from the previous year, which had other revenue of 2.33 million Baht. Due to the company has gain on currency exchange and been a trading of ceramic home decoration products such as vases jars and pots.

**Cost of sales, Cost of distributions and Administrative Expenses:**

For the three-month period ended 30 September 2022, the cost of sales was 47.51 million Baht, increasing by 37.51% from the same period in the previous year which had a cost of sales of 34.55 million Baht. The Company's Gross Profit was 20.90 million Baht which had a Gross Profit Margin of 30.55%, increasing from the same period of previous year which had a Gross Profit Margin of 27.48%.

For the three-month period ended 30 September 2022, the cost of distributions and administrative expenses was 9.31 million Baht, increasing from the same period of previous year which had 6.93 million Baht, due to an increase in distribution costs. Caused by agent commission and products distribution.

**Net profit and Net profit margin**

For the three-month period ended 30 September 2022, the Company's Net Profit was 11.64 million Baht which had a Net Profit Margin of 16.28%, increase 55.41% from the same period of the previous year which had Net Profit of 7.49 million Baht. This increase resulted from increased sales volume and lower average cost of sale 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 30 September 2022, show total sales revenue of 83.85 million baht, cost of sales of 59.31 million baht and show net profit for the period of 12.93 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 foreign countries which are main market. Because world had recovered from covid-19 pandemic.

Please be informed accordingly.

Best Regards,

Home Pottery Public Company Limited

(Mr.Niran Chourkittisopon)

Managing Director