

February 27, 2023

Subject: Management Discussion and Analysis For the year ended December 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 year 2022 ended 31 December, 2022 with details as follows:

Unit: Million Baht

	Consolidated financial statements		Separate Financial Statement		Changes (separate financial statement)	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021	(Million Baht)	%
<i>(Unit: Million Baht)</i>						
Revenue from Sales	318.29	202.79	245.42	154.70	90.72	58.64
Other Revenue	7.13	5.46	6.11	4.56	1.55	33.99
<b>Total Revenue</b>	<b>325.42</b>	<b>208.25</b>	<b>251.53</b>	<b>159.26</b>	<b>92.27</b>	<b>57.94</b>
Costs of Sales	237.14	155.83	178.14	117.35	60.79	51.80
Cost of distributions	23.04	16.73	19.36	13.48	5.88	43.62
Administrative Expenses	21.35	17.39	15.28	12.52	2.76	22.04
Loss from fair value measurement of derivatives - net	0.41	0.00	0.41	0.00	0.41	100.00
<b>Total Expenses</b>	<b>281.94</b>	<b>189.95</b>	<b>213.19</b>	<b>143.35</b>	<b>69.84</b>	<b>48.72</b>
<b>Profit from operating activities</b>	<b>43.48</b>	<b>18.30</b>	<b>38.34</b>	<b>15.91</b>	<b>22.43</b>	<b>140.98</b>
Financial costs	-0.43	-0.39	-0.27	-0.20	-0.07	35.00
<b>Profit before income tax expense</b>	<b>43.05</b>	<b>17.91</b>	<b>38.07</b>	<b>15.71</b>	<b>22.36</b>	<b>142.33</b>
Income tax expense	-7.89	-2.67	-7.70	-2.70	-5.00	185.19
<b>Profit for the year</b>	<b>35.16</b>	<b>15.24</b>	<b>30.37</b>	<b>13.01</b>	<b>17.36</b>	<b>133.44</b>
<u>Profit attributable to</u>						
Owners of the parent	35.07	15.2				
Non- controlling interests	0.10	0.04				

The separate Financial Statement of Home Pottery Public Company Limited (“the Company”) for the year ended 31 December, 2022 showed total revenue of 251.53 million Baht. This is the highest performance in history. The cost of sales amounted to 178.14 million Baht, while cost of distributions, administrative expenses, loss from fair value measurement of derivatives - net and financial costs were 35.32 million Baht in total. It was able to return to profit showing a total net profit of 30.37 million baht. The changes are explained as follows.

**Sales Revenues:**

For the year ended 31 December, 2022 the Company generated a revenue from sales of 245.42 million Baht, increasing by 58.64% from the previous year, which had a total revenue of 154.70 million Baht. 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. The Company generated a revenue from buying-in and selling-out the products of 30.15 million Baht, from the previous year which had a total revenue of 2.02 million Baht, increasing by 1,391.55%.

**Other Revenues:**

For the year ended 31 December 2022, the Company generated other revenue of 6.11 million Baht, increasing by 33.99% from the previous year, which had other revenue of 4.56 million Baht. Due to the company been a trading of ceramic home decoration products such as vases jars and pots and has gain on currency exchange.

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

For the year ended 31 December 2022, the cost of sales was 178.14 million Baht, increasing by 51.80% from the previous year which had a cost of sales of 117.35 million Baht. The Company's Gross Profit was 67.28 million Baht which had a Gross Profit Margin of 27.41%, increasing from the same period of previous year which had a Gross Profit Margin of 24.14%.

For the year ended 31 December 2022, the cost of distributions and administrative expenses was 34.64 million Baht, increasing from the previous year which had 26.00 million Baht, due to an increase in distribution costs. Caused by agent commission and products distribution and has loss from fair value measurement of derivatives net 0.41 million Baht as a result of the Forward Contract.

**Net profit and Net profit margin**

For the year ended 31 December 2022, the Company's Net Profit was 30.37 million Baht which had a Net Profit Margin of 12.07%, increase 133.44% from the previous year which had Net Profit of 13.01 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 year ended 31 December 2022, show total sales revenue of 318.29 million baht, cost of sales of 237.14 million baht and show net profit for the period of 35.16 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