

August 10, 2020

Subject: Management Discussion and Analysis
 For the three-month period ended June 30, 2020
 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, 2020 with details as follows:

Unit: Million Baht

	Consolidated financial statements		Separate Financial Statement		Changes (separate financial statement)	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	(Million Baht)	%
<i>(Unit: Million Baht)</i>						
Revenue from Sales	16.81	42.54	14.96	39.18	(24.22)	(61.82)
Other Revenue	0.26	0.34	0.21	0.30	(0.09)	(30.00)
Total Revenue	17.07	42.88	15.17	39.48	(24.31)	(61.58)
Costs of Sales	13.86	30.05	13.02	29.23	(16.21)	(55.46)
Cost of distributions	2.48	5.04	1.47	4.13	(2.66)	(64.41)
Administrative Expenses	4.64	6.17	2.92	4.69	(1.77)	(37.74)
Total Expenses	20.98	41.26	17.41	38.05	(20.64)	(54.24)
Profit from operating activities	(3.91)	1.62	(2.24)	1.43	(3.67)	(256.64)
Financial costs	(0.05)	(0.14)	0.00	(0.14)	0.14	(100.00)
Profit before income tax	(3.96)	1.48	(2.24)	1.29	(3.53)	(273.64)
Income tax	0.11	0.22	0.10	0.22	(0.12)	(54.55)
Profit the period	(3.85)	1.70	(2.14)	1.51	(3.65)	(241.72)
<u>Profit attributable to</u>						
Owners of the parent	(3.82)	1.69				
Non- controlling interests	(0.03)	0.01				

Home Pottery Public Company Limited manufactures and distributes Fine china tableware, selling export to foreign countries and in domestic. Currently, the company exports goods to The United States of America, European countries and Australia.

From the situation of the Coronavirus Disease 2019 (“COVID-19”) at present, the epidemic continues to heavy spread among the countries of customers. As a result, the Company’s main customers postpone orders and deliveries. Thus, the company the factory had to be closed temporarily in June 2020, resulting in a decrease in revenue. And operating results as follows

The separate Financial Statement of Home Pottery Public Company Limited (“the Company”) for the three-month period ended 30 June 2020 showed total revenue of 15.17 million Baht. The cost of sales amounted to 13.02 million Baht, while selling and administrative expenses and financial costs were 4.39 million Baht in total. Net income for the period of the company was 2.14 million Baht. The changes are explained as follows;

Sales Revenues:

For the three-month period ended 30 June 2020, the Company generated a revenue from sales of 14.96 million Baht, decreasing by 61.82% when compared to the same period in the previous year, which had a total revenue of 39.18 million Baht. Due to the impact of the COVID-19 outbreak, the Company’s main customers Postpone orders and deliveries, the sales volume has decreased.

Cost of sales, Cost of distributions and Administrative Expenses:

For the three-month period ended 30 June 2020, the cost of sales was 13.02 million Baht, decreasing by 55.46% from the same period in the previous year which had a cost of sales of 29.23 million Baht. Decrease as sales volume decreased. As a result, the company had a gross profit of 1.94 million baht or 12.95% gross profit margin of revenue from sales.

For the three-month period ended 30 June 2020, the cost of distributions and administrative expenses was 4.39 million Baht, decreasing from the same period of previous year which had a cost of distributions and administrative expenses of 8.82 million Baht, by decreasing in terms of distribution costs. As a result of the shipping cost to distribute goods both domestically and internationally, promotional and commission fees, when the sales volume decreases, resulting in a decrease in the cost of distribution according to.

Net profit and Net profit margin

For the three-month period ended 30 June 2020, the Company Net loss for the period was 2.14 million Baht or 14.11% of total revenue. Net profit from the same period a year earlier, which was 1.51 million Baht, or 3.82%. Due to the impact of the COVID-19 outbreak. As a result, the volume of sales decreased, resulting in a loss.

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Although in the second quarter of 2020 there was a loss, considering the financial statements for the six months of 2020, the Company still had a net profit of 1.87 million Baht.

Consolidated financial statements in the second quarter of 2020 have revenue from the sales of 17.07 million Baht, cost of sales was 13.87 million Baht and Net loss for the period was 3.85 million Baht. Subsidiary affected by the COVID-19 outbreak, as a result, the sales volume has decreased, resulting in a loss as well. For consolidated financial statements for the six-month in the second quarter of 2020 have total revenue 66.21 million Baht and net profit of 0.03 million Baht.

Please be informed accordingly.

Best Regards,



Home Pottery Public Company Limited

(Mr. Niran Chourkittisopon)
Managing Director