

## Management's Discussion and Analysis (MD&A)

### MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

#### For Year End 2020

#### 1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2020	2019	change	%
Revenue from sales	1,286,465	1,437,516	(151,051)	(10.51)
Revenue from Golf Course	32,186	44,842	(12,656)	(28.22)
Revenue from Hotel Services	1,246	-	1,246	100.00
Gross profit	22,927	44,410	(21,483)	(48.37)
Profit (Loss) before Income Tax	(397,837)	(198,961)	(198,876)	99.96
Other Comprehensive Income	-	(5)	-	-
Total Comprehensive Income (Expense) for the year	(395,374)	(161,520)	(233,854)	144.78

Table : Business

#### Business Results of Company and its subsidiary

The operating result for the year 2020, the company had a total gross profit of Baht 22.93 million, total revenues of the company and its subsidiaries was Baht 1,319.89 million comprised of revenues from sales Baht 1,286.46 million, revenue from golf course Baht 32.18 million and revenue from hotel services Baht 1.25 million. Cost of sales and services was Baht 1,296.97 million and gross profit was Baht 22.93 million. Sales and administration expenses was Baht 67.50 million and net loss of Baht 395.37 million. Comparing year 2019 operating result, the revenues from sales and golf course were Baht 1,437.51 million and Baht 44.84 million respectively, or a total revenues of Baht 1,482.35 million with only Baht 44.41 million gross profit. The main reason where net loss of year 2020 increased from year 2019 by Baht 233.85 million or 144.78% the recognition of loss from impairment on Assets Baht 440.36 million while year 2020 net loss was delivered from operating loss for 9 months of HNC Power Co., Ltd. of Baht 0.10 million, operation loss from The Majestic Creek Country Club Limited of Baht 6.90 million, operation loss from Ariya Estate Company Limited of Baht 1.46 million and operation loss from The Master Real Estate Company Limited of Baht 0.1 million.

### Basis Used in Financial Statement Preparation

The financial statements have been prepared in accordance with Financial Reporting Standards of Thailand that consolidated the subsidiary, which is under the Company's control, by eliminating related-party transactions. The percentage of shareholdings in the subsidiary is shown below;

Company's Name	Type of Business	Percentage of Shareholdings as at December 31, 2020	Country of Registration
The Majestic Creek Country Club Limited	Engaged Golf Course	80.00	Thailand
HNC Power Company Limited	Palm Oil Product for Produce and Distribution	60.00	Thailand
The Master Real Estate Company Limited	Real Estate Development	100.00	Thailand
Ariya Estate Company Limited	Hotel Services	100.00	Thailand

## 2. Analysis of Operating Performance

Consolidated Financial Statement (Million baht)	Year (January – December)		
	2020	2019	Change
Revenue from sales	1,286.46	1,437.52	(151.06)
Revenue from Golf Course	32.19	44.84	(12.62)
Revenue for Hotel Services	1.25	-	1.25
Cost of goods sold	(1,269.40)	(1,407.66)	(138.26)
Cost of Goods Sold from Golf Course	(26.84)	(30.29)	(3.45)
Cost of Hotel Management	(0.73)	-	(0.73)
<b>Gross profit</b>	<b>22.93</b>	<b>44.41</b>	<b>(21.48)</b>
Other Income	1.15	31.07	(29.92)
Dividend Revenues	38.39	-	38.39
Gain from debt for given	58.15	-	58.15
Selling expenses	(3.24)	(0.97)	(2.27)

Consolidated Financial Statement (Million baht)	Year (January – December)		
	2020	2019	Change
Administrative expenses	(64.26)	(53.25)	(11.01)
Doubtful Account	(0.26)	(2.65)	2.39
Loss from Impairment on Assets	(440.36)	(205.50)	(234.86)
Finance Cost	(10.32)	(12.06)	1.75
<b>Profit (Loss) before Income Tax</b>	<b>(397.84)</b>	<b>(198.96)</b>	<b>(198.88)</b>
Income Tax (Expense) Income	2.46	37.44	(34.98)
<b>Profit (Loss) for the Year</b>	<b>(395.37)</b>	<b>(161.52)</b>	<b>(233.86)</b>
<b>Other Comprehensive income (Expense)</b>	-	-	-
<b>Total Comprehensive Income (Expense) for the Year</b>	<b>(395.37)</b>	<b>(161.52)</b>	<b>(233.85)</b>

Table : Analysis of Operating Performance

## Revenues from Sales and Services

### Revenues from Sales and Services by Businesses

Business	Million Baht	
	2020	2019
1. Golf Course Business	32.19	44.84
2. Produce and Distribution of Palm Oil Business	1,286.46	1,437.52
3. Hotel Services	1.25	-
<b>Total</b>	<b>1,319.90</b>	<b>1,482.36</b>

#### 2.1 Revenue from Golf Course

Revenue from Golf Course consisted of golf course, revenue from food and beverage, revenue from rental and revenue from membership fee.

#### 2.2 Revenue from Produce and Distribution of Palm Oil Business

In June 2017, the company invested in a subsidiary which produce and distribute palm oil, the company has recorded revenue from Produce and Distribution of Palm Oil Business in 9 months of year 2020 and year 2019 with a total revenue of Baht 1,286.46 million and Baht 1,437.52 million respectively.

### 2.3 Revenue from Hotel Services

In November 2020, the Company invested in subsidiary which manage hotel, the company has recorded revenue from hotel management in year 2020 with a total revenue of Baht 1.25 million.

### 2.4 Other income

In year 2020, the Company and its subsidiaries have other income from interest of Bill of Exchange amount of Baht 1.15 million decreased from year 2019 of Baht 29.92 million or 96.31% from year 2019 respectively.

### 2.5 Selling and Administrative Expenses

In year 2020, selling and administration expenses was at Baht 67.50 million, and increased by Baht 11.01 million or 24.50% from year 2019.

## 3. Statements of Financial Position

<b>Consolidated Financial statements</b>	2020	2019	+/-	+/-
<b>(amount in million baht)</b>	31-Dec	31-Dec	YoY	%
Assets				
Current Assets	482.53	400.16	82.38	20.59
Non-Current Assets	2,080.38	1,474.42	605.96	41.10
Total Current Assets	2,562.91	1,874.58	688.34	36.72
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	773.24	258.00	515.24	199.71
Non-Current Liabilities	96.80	86.51	10.28	11.88
Total Liabilities	870.04	344.51	525.52	152.54
Shareholders' Equity	1,692.87	1,530.07	162.82	10.64
Total Liabilities and Shareholders' Equity	2,562.91	1,874.58	688.34	36.72

Table: Statements of Financial Position

### **Asset**

As at 31 December 2020, total assets were Baht 2,562.91 million, increased by Baht 688.34 million or 36.72% compared to 31 December 2019, which due to the following reasons;

- Current assets increased by Baht 82.38 million or 20.59% due to Q3/2020 was from the Company received from share capital increase of Baht 558.19 million and A part in the amount of Baht 469 million was paid for shares under purchase agreement
- Non-current assets increased by Baht 605.96 million or 41.10% due to the company invest in Investment in Subsidiaries of Baht 1,038.11 million and have loss on impairment of asset of Baht 440.36 million.

### **Liabilities**

- Current liabilities increased by Baht 515.24 million or 199.71% due to the company has ordinary share payables by Baht 388.11 million.
- Non-current liabilities increased by Baht 10.28 million or 11.88% due to the increase in long-term borrowings from financial institution.

### **Shareholders' Equity**

- Shareholders' equity increased by Baht 162.82 million from Q3/2020 net loss and received from the share capital increase in Q3/2020.

## **4. Analysis of Statements of Cash Flow**

Consolidated Financial statements (amount in million baht)	2020	2019
1. Profit (Loss) before Income Tax	(397.84)	(198.96)
2. Profit (Loss) from Operating Activities before Changes in Operating Assets and Liabilities	(4.786)	21.82
3. Net cash provided from (used in) Operating Activities	(53.17)	8.89
4. Net cash provided from (used in) Investing Activities	(462.06)	9.05
5. Net cash provided from (used in) Financing Activities	549.17	(28.86)
6. Net increase (decrease) in cash and cash equivalents	33.94	(10.92)
7. Cash and Cash Equivalents at the Beginning of the Period	3.97	14.89

Consolidated Financial statements (amount in million baht)	2020	2019
8. Cash and Cash Equivalents at the Ending of the Period	37.91	3.97

Table: Statements of Cash Flow

In year 2020, the cash and cash equivalents at the ending of the period was at Baht 37.91 million, increased from year 2019 by Baht 33.94 million due to the following reasons;

- Net cash provided for Operating Activities decreased by Baht 62.06 million, was mainly due to trade account receivables decreased by Baht 21.85 million, inventory increased by Baht 18.64 million, Current contract asset increased by Baht 26.85 million while Account payable decreased by Baht 23.86 million and decreased in the received of interest income of Baht 15.86 million.
- Net cash provided from Investing Activities by Baht 462.06 million was mainly due to paid for purchase investment in subsidiaries by 649.88 million, received from dividends by Baht 38.39 million and received from Advance for Investment of Baht 150 million.
- Net cash used in from Financing Activities increased by Baht 549.17 million due to Q3/2020 the company received from the share capital by 558.19 million.