

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Quarter 1/2021

Consolidated Financial Statement (amount in thousand baht)	2021 Q1	2020 Q4	2020 Q1	+/- QoQ	+/- YoY
Revenue from sales	-	-	387,228	-	(387,228)
Revenue from Golf Course	5,708	4,646	17,005	1,062	(11,297)
Revenue from Hotel Services	6,883	1,246	-	5,637	6,883
Gross profit	810	(19,181)	12,020	19,991	(11,210)
Profit (Loss) before Income Tax	(11,732)	(335,322)	65,521	323,590	(77,253)
Other Comprehensive Income	2,738	-	-	2,738	2,738
Total Comprehensive Income (Expense) for the period	(8,775)	(330,058)	66,050	321,283	(74,825)

Table : Business

1. Business Results of Company and its subsidiary

The operating result of Q1/2021, the company had a total gross profit of Baht 0.81 million, total revenues of the company and its subsidiaries was Baht 12.59 million, comprised of revenue from golf course Baht 5.71 million and revenue from hotel services Baht 6.88 million. Cost of services was Baht 11.78 million and gross profit was Baht 0.81 million. Sales and administration expenses was Baht 11.60 million, and net loss of Baht 8.78 million. Comparing to Q1/2020's operating result, the revenues from sales and golf course were Baht 387.23 million and Baht 17.01 million respectively, or a total revenues of Baht 404.23 million with only Baht 12.02 million gross profit. The main reason where net loss of Q1/2021 increased from Q1/2020 by Baht 74.83 million or 113.29%, due to the company has operation loss which did not include the financial statements of HNC Power Co., Ltd. in the consolidated financial statements. As a result, the total amount of revenue decreased by 387.23 million baht and the cost of sales decreased by 386 million baht in the whole amount, recognized loss from The Majestic Creek Country Club Limited of Baht 5.17 million and recognized profit from Ariya Estate Company Limited of Baht 1.05 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 March 31, 2021	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 (amount in thousand baht)	2021 Q1	2020 Q4	2020 Q1	+/- QoQ	+/- YoY
Revenue from sales	-	-	387,228	-	(387,228)
Revenue from Golf Course	5,708	4,646	17,005	1,062	(11,297)
Revenue from Hotel Services	6,883	1,246	-	5,637	6,883
Cost of goods sold	-	-	(386,001)	-	386,001
Cost of Goods Sold from Golf Course	(7,132)	(23,309)	(6,212)	16,177	(920)
Cost of Hotel Management	(4,649)	(1,764)	-	(2,885)	(4,649)
Gross profit	810	(19,181)	12,020	19,991	(11,210)
Other Income	346	100	1,114	246	(768)
Dividend Income	-	23,033	15,355	(23,033)	(15,355)
Gain from debt for given	-	208	58,146	(208)	(58,146)
Selling expenses	(7)	(82)	(636)	75	629

Consolidated Financial Statement (amount in thousand baht)	2021 Q1	2020 Q4	2020 Q1	+/- QoQ	+/- YoY
Administrative expenses	(11,595)	(20,712)	(16,067)	9,117	4,472
Doubtful Account	(2)	(89)	(1,052)	87	1,050
Loss from Impairment on Assets	-	(317,732)	-	317,732	-
loss from acquisition	-	235	-	(235)	-
Finance Cost	(1,284)	(1,102)	(3,359)	(182)	2,075
Profit (Loss) before Income Tax	(11,732)	(335,322)	65,521	323,590	(77,253)
Income Tax(Expense) Income	219	5,264	529	(5,045)	(310)
Profit (Loss) for the period	(11,513)	(330,058)	66,050	318,545	(77,563)
Other Comprehensive income (Expenses)	2,738	-	-	2,738	2,738
Total Comprehensive Income (Expense) for the period	(8,775)	(330,058)	66,050	321,283	(74,825)

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	5,708	17,005
2. Produce and Distribution of Palm Oil Business	-	387,228
3. Hotel Services	6,883	-
Total	12,591	404,233

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, in Q1/2564 the company did not include the financial statements of HNC Power Co., Ltd. in the

consolidated financial statements, therefore did not recognize income from palm oil production and distribution business and in Q1/2020, the company has recorded revenue from Produce and Distribution of Palm Oil Business with a total revenue of Baht 387.23 million.

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, the company has recorded revenue from hotel services for 3 months with a total revenue of Baht 6.88 million.

2.4 Other income

The Company and its subsidiaries have other income amount of Baht 0.35 million which decreased 0.77 million or 68.94% due to interest income decreased.

2.5 Dividend income

The Company and its subsidiaries has not dividend income in Q1/2021, but in the Q1/2020 has amount of Baht 15.36 million due to received dividend which has invested in Eternity Power Public Company Limited (Formerly name Eastern Power Group Public Company Limited).

2.6 Gain from debt for given

The Company and its subsidiaries has not gain from debt for given in Q1/2021, but in the Q1/2020 has amount of Baht 58.15 million, due to debt forgive from payable.

2.7 Selling and Administrative Expenses

Q1/2021, selling and administration expenses was at Baht 11.60 million, an decrease by Baht 9.19 million or 44.20% from Q4/2020 and decreased by Baht 5.10 million or 30.54% from Q1/2020.

3. Statements of Financial Position

Consolidated Financial statements (amount in thousand baht)	2021 31 Mar	2020 31 Dec	+/- Difference	+/- %
Assets				
Current Assets	472,063	482,531	(10,468)	(2.17)
Non-Current Assets	2,083,402	2,080,383	3,019	0.15

Consolidated Financial statements	2021	2020	+/-	+/-
(amount in thousand baht)	31 Mar	31 Dec	Difference	%
Total Current Assets	2,555,465	2,562,914	(7,449)	(0.29)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	777,615	773,237	4,378	0.57
Non-Current Liabilities	93,740	96,792	(3,052)	(3.15)
Total Liabilities	871,355	870,029	1,326	0.15
Shareholders' Equity	1,684,110	1,692,885	(8,775)	(0.52)
Total Liabilities and Shareholders' Equity	2,555,465	2,562,914	(7,449)	(0.29)

Table: Statements of Financial Position

Assets

As at 31 March 2021, total assets were Baht 2,555.47 million, decreased by Baht 7.45 million or 0.29% compared to 31 December 2020 due to;

- Current assets decreased by Baht 10.47 million or 2.17% due to cash and cash equivalents decreased 9.95 million due to the purchase of investments in 2 subsidiaries.
- Non-current assets increased by Baht 3.02 million or 0.15%

Liabilities

- Current liabilities increased by Baht 4.38 million or 0.57% due to trade and other current payables increased of Baht 3.51 million.
- Non-current liabilities decreased by Baht 3.05 million or 3.15% due to the decrease in non-current provisions for employee benefits.

Shareholders' Equity

- Shareholders' equity increased by Baht 8.78 million from Q1/2021 net loss.

4. Analysis of Statements of Cash Flow

Consolidated Financial statements (amount in thousand baht)	2021 Q1	2020 Q1
1. Profit (Loss) before Income Tax	(11,513)	66,050
2. Net cash provided from (used in) Operating Activities	(5,222)	(9,162)
3. Net cash provided from (used in) Investing Activities	(1,850)	5,299
4. Net cash provided from (used in) Financing Activities	(2,876)	46,127
5. Net increase (decrease) in cash and cash equivalents	(9,948)	42,264
6. Cash and Cash Equivalents at the Beginning of the Period	37,914	3,973
7. Cash and Cash Equivalents at the Ending of the Period	27,966	46,237

Table: Statements of Cash Flow

As at 31 March 2021, the cash and cash equivalents at the ending of the period was at Baht 27.97 million decreased from Q1/2020 amount of Baht 18.27 million, due to the following reasons;

- Net cash used in Operating Activities increased by Baht 3.94 million, was mainly due to increase in gain from debt for given of Baht 58.15 million and dividend income of Baht 15.36 million.
- Net cash provided from Investing Activities decreased by Baht 7.15 million was mainly due to dividend income of Baht 15.36 million.
- Net cash provided from Financing Activities decreased by Baht 49 million was mainly due to In Q1/2020 received from short-term borrowing from other parties of Baht 59.70 million while Q1/2021 none.

5. Key Financial Ratios

Financial Ratios	Unit	2021	2020
		31 March	31 December
Current Ratio	Times	0.607	0.624
Debt Ratio	Times	0.341	0.339
Debt to Equity Ratio	Times	0.517	0.514
		2021	2020
		31 March	31 March
Earnings (Loss) per Share	Baht/Share	(0.00012)	0.00210

Table: key financial ratios

Key Financial Ratios of Company and its subsidiary

For Q1/2021, the changes in key financial ratios compared to Q4/2020 are as follows;

- Current ratio was at 0.607 times, decreased from prior quarter, due to decrease in cash and cash equivalents.
- Debt ratios was at 0.341 times, increased from prior quarter, due to the decrease in total asset but increase in total liabilities.
- Debt to equity ratio were at 0.517 times increased from prior quarter, due to the increase in total liabilities but decrease in shareholders' equity.
- Earnings per share was at Baht (0.00012) per share, decreased from last year, was mainly resulted from loss from operation.