

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Quarter 2/2021

1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2021 Q2	2021 Q1	2020 Q2	+/- QoQ	+/- YoY
Revenue from sales	-	-	445,375	-	(445,375)
Revenue from Golf Course	4,692	5,708	3,976	(1,016)	716
Revenue from Hotel Services	8,070	6,883	-	1,187	(8,070)
Gross profit	848	810	17,006	38	(16,158)
Profit (Loss) before Income Tax	(20,955)	(11,732)	(343)	(9,223)	(20,612)
Income Tax (Expenses)	221	219	(2,648)	2	2,869
Other Comprehensive Income	-	2,738	-	(2,738)	-
Total Comprehensive Income (Expense) for the period	(20,734)	(8,775)	(2,991)	(11,959)	(17,743)

Table : Business

Business Results of Company and its subsidiary

In Q2/2021, total revenues of the company and its subsidiaries was Baht 12.76 million, comprised of revenue from golf course Baht 4.69 million and revenue from hotel services Baht 8.07 million. Cost of services was Baht 11.91 million and gross profit was Baht 0.8 million. Sales and administration expenses was Baht 13.60 million and net loss of Baht 20.73 million. Comparing to Q2/2020's operating result, the revenues from sales and golf course were Baht 445.73 million and Baht 3.98 million respectively, or a total revenues of Baht 449.35 million, have gross profit of Baht 17.00 million. The main reason where net loss of Q2/2021 increased from Q2/2020 by Baht 17.43 million or 593.21% while the Q2/2021's net loss was delivered from operating loss, 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 Baht 445.38 million baht and the cost of sales decreased by Baht 420.43

million baht in the whole amount, recognized loss from The Majestic Creek Country Club Limited of Baht 5.78 million and recognized loss from Ariya Estate Company Limited of Baht 13.55 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 June 30,2021	Country of Registration
The Majestic Creek Country Club Limited	Engaged Golf Course	80.00	Thailand
HNC Power Co.,Ltd.	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 Q2	2021 Q1	2020 Q2	+/- QoQ	+/- YoY
Revenue from sales	-	-	445,375	-	(445,375)
Revenue from Golf Course	4,692	5,708	3,976	(1,016)	716
Revenue from Hotel Services	8,070	6,883	-	1,187	8,070
Cost of goods sold	-	-	(429,089)	-	(429,089)
Cost of Goods Sold from Golf Course	(6,673)	(7,132)	(3,256)	459	(3,417)
Cost of Hotel Management	(5,241)	(4,649)	-	(592)	(5,241)
Gross profit	848	810	17,006	38	(16,158)
Other Income	818	346	392	472	426

Consolidated Financial Statement (amount in thousand baht)	2021 Q2	2021 Q1	2020 Q2	+/- QoQ	+/- YoY
Gain on Disposal of Other Non-Current Financial Assets	7,665	-	-	7,665	7,665
Selling expenses	(42)	(7)	(1,350)	(35)	1,308
Administrative expenses	(13,557)	(11,595)	(13,251)	(1,962)	(306)
Expected Credit Losses	-	(2)	(91)	2	91
Loss on Impairment of Asset	(15,360)	-	-	(15,360)	(15,360)
Finance Cost	(1,327)	(1,284)	(3,049)	(43)	1,722
Profit (Loss) before Income Tax	(20,955)	(11,732)	(343)	(9,223)	(20,612)
Income Tax(Expense) Income	221	219	(2,648)	2	2,869
Profit (Loss) for the period	(20,734)	(11,513)	(2,991)	(9,221)	(17,743)
Other Comprehensive income (Expenses)	-	2,738	-	(2,738)	-
Total Comprehensive Income (Expense) for the period	(20,734)	(8,775)	(2,991)	(11,959)	(17,743)

Table : Analysis of Operating Performance

Revenues from Sales and Services

Revenues from Sales and Services by Businesses

Business	Million Baht	
	2021	2020
1. Golf Course Business	4,692	3,976
2. Produce and Distribution of Palm Oil Business	-	445,375
3. Hotel Services	8,070	-
Total	12,762	449,351

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 Q2/2021 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 Q2/2020, the company has recorded revenue from Produce and Distribution of Palm Oil Business with a total revenue of Baht 445.38 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 in Q2/2021 with a total revenue of Baht 8.07 million.

2.4 Other income

The Company and its subsidiaries have other income amount of Baht 0.82 million , a decrease of Baht 0.43 million or 108.67 % from Q2/2020 as a result of lower interest income.

2.5 Selling and Administrative Expenses

Q2/2021, selling and administration expenses was at Baht 13.60 million, an decrease by Baht 2 million or 17.21% from Q1/2021 and increased by Baht 1 million or 6.86% from Q2/2020.

2.6 Loss on Impairment of Asset

Q2/2021 has loss on impairment of asset of Baht 15.36 million, an increase from Q1/2021 and an increase from Q2/2020 in full amount or 100% due to loss from impairment of the 10 years advance rental fee of the leased building which is under construction.

3. Statements of Financial Position

Consolidated Financial statements	2021	2020	+/-	+/-
(amount in thousand baht)	30 Jun	31 Dec	Difference	%
Assets				
Current Assets	473,193	482,531	(9,338)	(1.94)
Non-Current Assets	1,537,222	2,080,383	(543,161)	(26.11)
Total Current Assets	2,010,415	2,562,914	(552,499)	(21.56)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	254,913	773,237	(518,324)	(67.03)
Non-Current Liabilities	92,126	96,792	(4,666)	(4.82)
Total Liabilities	347,039	870,029	(522,990)	(60.11)
Shareholders' Equity	1,663,376	1,692,885	(29,509)	(1.74)
Total Liabilities and Shareholders' Equity	2,010,415	2,562,914	(552,499)	(21.56)

Table: Statements of Financial Position

Assets

As at 30 June 2021, total assets were Baht 2,010.42 million, decreased by Baht 552.50 million or 21.56% compared to 31 December 2020 due to;

- Current assets decreased by Baht 9.34 million or 1.94% due to cash and cash equivalents decreased Baht 11.08 million due to the purchase of investments in 2 subsidiaries.
- Non-current assets decreased by Baht 543.16 million or 26.11% because the company The entire investment in Eternity Power Public Company Limited was sold.

Liabilities

Current liabilities decreased by Baht 518.32 million or 67.03% due to trade and other current payables decreased of Baht 137.42 million or 57.97% due to deposit received in investment decreased 150 million in the total amount and ordinary Share Payables decreased Baht 388.11 million in the total amount.

- Non-current liabilities decreased by Baht 4.67 million or 4.82% due to the decrease in non-current provisions for employee benefits.

Shareholders' Equity

- Shareholders' equity decreased by Baht 552.50 million from the period of six months which net loss increase.

4. Analysis of Statements of Cash Flow

Consolidated Financial statements (amount in thousand baht)	2021 Q2	2020 Q2
1. Profit (Loss) before Income Tax	(32,247)	63,060
2. Net cash provided from (used in) Operating Activities	(36,574)	(26,002)
3. Net cash provided from (used in) Investing Activities	26,384	5,143
4. Net cash provided from (used in) Financing Activities	(890)	52,683
5. Net increase (decrease) in cash and cash equivalents	(11,080)	31,824
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	26,834	35,797

Table: Statements of Cash Flow

As at 30 June 2021, the cash and cash equivalents at the ending of the period was at Baht 26.83 million, decreased from Q2/2020 amount of Baht 8.96 million, due to the following reasons;

- Net cash used in Operating Activities decreased by Baht 10.57 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 increased by Baht 21.24 million was mainly due to cash received from disposal of other non-current financial assets increased.
- Net cash provided from Financing Activities increased by Baht 53.57 million was mainly due to in Q2/2021 received from short-term borrowing from other parties of Baht 72.10 million.

5. Key Financial Ratios

Financial Ratios	Unit	2021 30 June	2021 31 March
Current Ratio	Times	1.856	0.607
Debt Ratio	Times	0.173	0.341
Debt to Equity Ratio	Times	0.209	0.517
		2021 Q2	2020 Q2
Earnings (Loss) per Share	Baht/Share	(0.00023)	(0.00020)

Table: key financial ratios

Key Financial Ratios of Company and its subsidiary

For Q2/2021, the changes in key financial ratios compared to Q1/2021 are as follows;

- Current ratio was at 1.856 times, increased from prior quarter, due to decrease in total current liabilities.
- Debt ratios was at 0.173 times, decreased from prior quarter, due to the company has decrease in total asset and total liabilities.
- Debt to equity ratio were at 0.209 times decreased from prior quarter, due to the company has decrease in total liabilities.
- Loss per share was at Baht 0.00023 per share, increased from last year, was mainly resulted from loss from operation.