

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

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

#### For Quarter 3/2021

#### 1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2021 Q3	2021 Q2	2020 Q3	+/- QoQ	+/- YoY
Revenue from sales	-	-	453,862	-	(453,862)
Revenue from Golf Course	4,085	4,692	6,559	(607)	(2,474)
Revenue from Hotel Services	6,210	8,070	-	(1,860)	6,210
Gross profit	147	848	13,082	(701)	(12,935)
Profit (Loss) before Income Tax	(12,500)	(20,955)	(127,694)	8,455	115,194
Income Tax (Expenses)	224	221	(682)	3	906
Total Comprehensive Income (Expense) for the period	(12,276)	(20,734)	(128,376)	8,458	116,100

Table : Business

#### Business Results of Company and its subsidiary

In Q3/2021, total revenues of the company and its subsidiaries was Baht 10.29 million, comprised of revenues from golf course Baht 4.09 million and revenue from hotel services Baht 6.21 million. Cost of services was Baht 10.15 million and gross profit was Baht 0.15 million. Sales and administration expenses was Baht 12.51 million and have net loss of Baht 12.28 million. Comparing to Q3/2020's operating result, the revenues from sales and golf course were Baht 453.86 million and Baht 6.56 million respectively, or a total revenues of Baht 460.42 million and gross profit by Baht 13.08 million. The main reason where net loss of Q3/2021 decreased from Q3/2020 by Baht 116.10 million or 90.44% while the Q3/2021's net loss was delivered from operating loss, which 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 443.86 million and the cost of sales decreased by Baht 442.58 million in the whole amount and not has loss on impairment of goodwill / investment in subsidiaries in amount

Baht 122.63 million , recognized loss from The Majestic Creek Country Club Limited of Baht 5.58 million and recognized profit from Ariya Estate Company Limited of Baht 0.58 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 Sep 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 Co., Ltd.	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 Q3	2021 Q2	2020 Q3	+/- QoQ	+/- YoY
Revenue from sales	-	-	453,862	-	(453,862)
Revenue from Golf Course	4,085	4,692	6,559	(607)	(2,474)
Revenue from Hotel Services	6,210	8070	-	(1,860)	6,210
Cost of goods sold	-	-	(442,582)	-	(442,582)
Cost of Goods Sold from Golf Course	(6,150)	(6,673)	(4,757)	(523)	1,393
Cost of Hotel Management	(3,998)	(5,241)	-	(1,243)	3,998
Gross profit	147	848	13,082	(701)	(12,935)

Consolidated Financial Statement (amount in thousand baht)	2021 Q3	2021 Q2	2020 Q3	+/- QoQ	+/- YoY
Other Income	1,485	818	226	667	1,259
Gain on Disposal of Other Non-Current Financial Assets	-	7,665	-	(7,665)	-
Selling expenses	(16)	(42)	(1,177)	26	1,161
Administrative expenses	(12,493)	(13,557)	(14,229)	1,064	1,736
Doubtful Account and Reversal	-	-	73	-	(73)
Loss from Impairment of Asset	-	(15,360)	(122,627)	15,360	122,627
Loss on Acquisitions	-	-	(235)	-	235
Finance Cost	(1,623)	(1,327)	(2,807)	(296)	1,184
Profit (Loss) before Income Tax	(12,500)	(20,955)	(127,694)	8,455	115,194
Income Tax (Expense)	224	221	(682)	3	906
Profit (Loss) for the Period	(12,276)	(20,734)	(128,376)	8,458	116,100
Total Comprehensive Income (Expense) for the period	(12,276)	(20,734)	(128,376)	8,458	116,100

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	4,085	6,559
2. Produce and Distribution of Palm Oil Business	-	453,862
3. Hotel Services	6,210	-
<b>Total</b>	<b>10,295</b>	<b>460,421</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, in Q3/2021 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 Q3/2020, the company has recorded revenue from Produce and Distribution of Palm Oil Business with a total revenue of Baht 453.86 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 Q3/2021 with a total revenue of Baht 6.21 million.

## 2.4 Other income

The Company and its subsidiaries have other income increase from interest rate of Bill of Exchange increase, which in Q3/2021 and Q3/2020 has amount Baht 1.49 million and Baht 0.23 million respectively.

## 2.5 Selling and Administrative Expenses

Q3/2021, selling and administration expenses was at Baht 12.51 million decreased by Baht 1.1 million or 8.07% from Q2/2021 and decreased by Baht 2.90 million or 18.80% from Q3/2020.

## 2.6 Loss from Impairment of Asset

In Q3/2021, the Company was no loss from impairment of asset, resulting in a decrease of Baht 15.36 million and a decrease of Baht 122.63 million baht in the whole amount. Compared to Q2/2021 and Q3/2020 respectively.

## 3. **Statements of Financial Position**

<b>Consolidated Financial statements</b>	2021	2020	+/-	+/-
<b>(amount in thousand baht)</b>	30 Sep	31 Dec		%
Assets				
Current Assets	462,427	482,531	(20,104)	(4.17)
Non-Current Assets	1,531,862	2,080,383	(548,521)	(26.37)

<b>Consolidated Financial statements</b>	2021	2020	+/-	+/-
<b>(amount in thousand baht)</b>	30 Sep	31 Dec		%
Total Current Assets	1,994,289	2,562,914	(568,625)	(22.19)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	267,902	773,237	(505,335)	(65.35)
Non-Current Liabilities	75,287	96,792	(21,505)	(22.22)
Total Liabilities	343,189	870,029	(526,840)	(60.55)
Shareholders' Equity	1,651,100	1,692,885	(41,785)	(2.47)
Total Liabilities and Shareholders' Equity	1,994,289	2,562,914	(568,625)	(22.19)

Table: Statements of Financial Position

**Assets**

As at 30 September 2021, total assets were Baht 1,994.29 million, decreased by Baht 568.63 million or 22.19% compared to 31 December 2020 due to;

- Current assets decreased by Baht 20.10 million or 4.17% due to Q3/2021 was from short-term loans to other person decrease Baht 12.68 million in total amount.
- Non-current assets decreased by Baht 548.21 million or 26.37% due to the company The entire investment in Eternity Power Public Company Limited was sold.

**Liabilities**

Current liabilities decreased by Baht 505.34 million or 65.35% due to paid of ordinary share payables by Baht 388.11 million.

Non-current liabilities decreased by Baht 21.51 million or 22.22% due to paid borrowings from financial institution of subsidiaries.

**Shareholders' Equity**

- Shareholders' equity decreased by Baht 41.78 million from net loss for the Q3/2021 and 9 month period of the year 2021.

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

Consolidated Financial statements (amount in thousand baht)	2021 Q3	2020 Q3
1. Profit (Loss) before Income Tax	(44,523)	(65,316)
2. Profit (Loss) from Operating Activities before Changes in Operating Assets and Liabilities	(18,517)	6,090
3. Net cash provided from (used in) Operating Activities	(54,034)	(42,786)
4. Net cash provided from (used in) Investing Activities	39,579	(464,159)
5. Net cash provided from (used in) Financing Activities	4,503	549,783
6. Net increase (decrease) in cash and cash equivalents	(9,952)	42,838
7. Cash and Cash Equivalents at the Beginning of the Period	37,914	3,973
8. Cash and Cash Equivalents at the Ending of the Period	27,962	46,811

Table: Statements of Cash Flow

As at 30 September 2021, the cash and cash equivalents at the ending of the period was at Baht 27.96 million, and net cash flow decreased by Baht 18.85 million from Q3/2020, due to the following reasons;

- Net cash used in Operating Activities decreased by Baht 11.25 million, was mainly due to decrease 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 increase by Baht 503.74 million was mainly due to decrease in cash received from disposal of other non-current financial assets of Baht 416.60 million.
- Net cash used in from Financing Activities decreased by Baht 545.28 million due to Q3/2020 the company received capital increase from shareholders amount of Baht 558.19 million while in Q3/2021 none.

#### 5. Key Financial Ratios

Financial Ratios	Unit	2021 30 Sep	2021 30 Jun
Current Ratio	Times	1.726	1.856
Debt Ratio	Times	0.172	0.173

Financial Ratios	Unit	2021	2021
		30 Sep	30 Jun
Debt to Equity Ratio	Times	0.208	0.209
		2021	2020
		Q3	Q3
Earnings (Loss) per Share	Baht/Share	(0.00014)	(0.00328)

Table: key financial ratios

### Key Financial Ratios of Company and its subsidiary

For Q3/2021, the changes in key financial ratios compared to Q2/2021 are as follows;

- Current ratio was at 1.726 times, decreased from last quarter, due to decrease in asset and share increase in liabilities.
- Debt ratios was at 0.172 times, slightly decreased from last quarter.
- Debt to equity ratio were at 0.208 times, slightly decrease from last quarter.
- Loss per share was at Baht 0.00014 per share, decreased from prior year, was mainly resulted from loss from operation.