

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Year End 2021

1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2021	2020	change	%
Revenue from sales	-	1,286,465	(1,286,465)	(100.00)
Revenue from Golf Course	21,718	32,186	(10,468)	(32.52)
Revenue from Hotel Services	22,691	1,246	21,445	1,721.11
Gross profit (loss)	(903)	22,927	(23,830)	(103.94)
Profit (Loss) before Income Tax	(58,089)	(397,837)	339,748	85.40
Income Tax (Expenses)	888	2,463	(1,575)	(63.95)
Profit (Loss) for the period	(57,201)	(395,374)	338,173	(85.53)
Other Comprehensive Income	2,737	-	2,737	100.00
Total Comprehensive Income (Expense) for the year	(54,464)	(395,374)	338,173	(86.22)

Table : Business

Business Results of Company and its subsidiary

The operating result for the year 2021, the company had a total gross loss of Baht 0.90 million, total revenues of the company and its subsidiaries was Baht 44.41 million comprised of revenues from golf course Baht 21.72 million and revenue from hotel services Baht 22.69 million. Cost of services was Baht 45.31 million and gross loss was Baht 0.90 million. Sales and administration expenses was Baht 46.73 million and net loss of Baht 54.46 million. Comparing year 2020 operating result, the revenues from sales and golf course were Baht 1,286.46 million and Baht 33.43 million respectively, or a total revenues of Baht 1,319.89 million with only Baht 22.93 million gross loss. The main reason where net loss of year 2021 decreased from year 2020 by Baht 338.17 million or 86.22% 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 1,286.47 million and the cost of sales decreased by Baht 1,257.67 million in the whole amount. In while year 2020 net loss, the recognition of loss from impairment on Assets

Baht 440.36 million and was delivered from operating loss for 9 months of HNC Power Co., Ltd. of Baht 0.10 million while in 2021 none. In 2021 recognized operation loss from The Majestic Creek Country Club Limited of Baht 21.51 million , operation loss from Ariya Estate Company Limited of Baht 15.26 million and operation loss from The Master Real Estate Company Limited of Baht 0.12 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, 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 (Million baht)	Year (January – December)		
	2021	2020	Change
Revenue from sales	-	1,286.47	(1,286.47)
Revenue from Golf Course	21.72	32.19	(10.47)
Revenue for Hotel Services	22.69	1.25	21.44
Cost of goods sold	-	(1,257.67)	(1,257.67)
Cost of Goods Sold from Golf Course	(28.11)	(37.54)	9.43
Cost of Hotel Management	(17.20)	(1.77)	(15.43)
Gross profit (loss)	(0.90)	22.93	(23.83)

Consolidated Financial Statement (Million baht)	Year (January – December)		
	2021	2020	Change
Other Income	3.51	1.15	2.36
Dividend Revenues	-	38.39	(38.39)
Gain from debt for given	-	58.15	(58.15)
Gain on Disposal of Other Non-Current Financial Assets	7.67	-	7.67
Selling expenses	(0.15)	(3.24)	3.09
Administrative expenses	(46.58)	(64.26)	17.68
Loss from Impairment on Assets	(15.36)	(440.36)	425.00
Expected Credit Losses	(0.25)	(0.27)	0.02
Finance Cost	(6.03)	(10.32)	4.29
Profit (Loss) before Income Tax	(58.09)	(397.83)	339.74
Income Tax (Expense) Income	0.89	2.46	(1.58)
Other Comprehensive income (Expense)	2.74	-	2.74
Total Comprehensive Income (Expense) for the Year	(54.46)	(395.37)	340.91

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	21.72	32.19
2. Produce and Distribution of Palm Oil Business	-	1,286.47
3. Hotel Services	22.69	1.25
Total	44.41	1,319.91

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 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 2020, the company has recorded revenue from Produce and Distribution of Palm Oil Business with a total revenue of Baht 1,286.47 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 2021 with a total revenue of Baht 22.69 million.

2.4 Other income

The Company and its subsidiaries have other income increase from interest rate of Bill of Exchange increase, which in 2021 and 2020 has amount Baht 3.51 million and Baht 1.15 million respectively.

2.5 Dividend income

The Company and its subsidiaries has not dividend income in 2021, but in the 2020 has amount of Baht 38.39 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 2021, but in the 2020 has amount of Baht 58.15 million, due to debt forgive from payable.

2.7 Selling and Administrative Expenses

In year 2021, selling and administration expenses was at Baht 46.73 million, and decreased by Baht 20.78 million or 30.78%

2.8 Loss from Impairment of Asset

In 2021, the Company was no loss from impairment of asset was at Baht 15.36 million, decrease by Baht 425 million or 96.51 due to have allowance for advance payment for land and construction lease.

3. Statements of Financial Position

Consolidated Financial statements	2021	2020	+/-	+/-
(amount in million baht)	31-Dec	31-Dec	YoY	%
Assets				
Current Assets	457.18	482.53	(25.35)	(5.25)
Non-Current Assets	1,526.45	2,080.38	(553.93)	(26.63)
Total Current Assets	1,983.63	2,562.91	(579.28)	(22.60)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	271.54	773.24	(501.70)	(64.88)
Non-Current Liabilities	73.67	96.80	(23.13)	(23.89)
Total Liabilities	345.21	870.04	(524.83)	(60.32)
Shareholders' Equity	1,638.42	1,692.87	(54.45)	(3.22)
Total Liabilities and Shareholders' Equity	1,983.63	2,562.91	(579.28)	(22.60)

Table: Statements of Financial Position

Asset

As at 31 December 2021, total assets were Baht 1,983.63 million, decreased by Baht 579.28 million or 22.60% compared to 31 December 2020, which due to the following reasons;

- Current assets decreased by Baht 25.35 million or 5.25% due to 2020 was from short-term loans to other person decrease Baht 12.68 million in total amount.
- Non-current assets decreased by Baht 553.96 million or 26.63% due to the company The entire investment in Eternity Power Public Company Limited was sold.

Liabilities

- Current liabilities decreased by Baht 501.70 million or 64.88% due to the company paid of ordinary share payables by Baht 388.11 million.
- Non-current liabilities decreased by Baht 23.13 million or 23.89% due to paid borrowings from financial institution.

Shareholders' Equity

- Shareholders' equity decreased by Baht 54.45 million from net loss in 2021.

4. Analysis of Statements of Cash Flow

Consolidated Financial statements (amount in million baht)	2021	2020
1. Profit (Loss) before Income Tax	(57.20)	(395.37)
2. Profit (Loss) from Operating Activities before Changes in Operating Assets and Liabilities	(23.69)	(4.79)
3. Net cash provided from (used in) Operating Activities	(53.63)	(53.17)
4. Net cash provided from (used in) Investing Activities	39.49	(462.06)
5. Net cash provided from (used in) Financing Activities	3.88	549.17
6. Net increase (decrease) in cash and cash equivalents	(10.27)	33.94
7. Cash and Cash Equivalents at the Beginning of the Period	37.91	3.97
8. Cash and Cash Equivalents at the Ending of the Period	27.65	37.91

Table: Statements of Cash Flow

In year 2020, the cash and cash equivalents at the ending of the period was at Baht 27.65 million, decreased from year 2020 by Baht 10.27 million due to the following reasons;

- Net cash provided for Operating Activities decreased by Baht 0.46 million.
- Net cash provided from Investing Activities increased by Baht 501.55 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 increased by Baht 545.30 million due to 2020 the company received from the share capital by Baht 558.19 million while in 2021 none.