

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Quarter 1/2022

Consolidated Financial Statement (amount in thousand baht)	2022 Q1	2021 Q1	+/- QoQ
Revenue from Golf Course	8,349	5,708	2,641
Revenue from Hotel Services	1,078	6,883	(5,805)
Gross profit (Loss)	(1,058)	810	1,868
Profit (Loss) before Income Tax	(21,711)	(11,732)	9,979
Other Comprehensive Income	-	2,738	(2,738)
Total Comprehensive Income (Expense) for the period	(21,411)	(8,775)	12,636

Table : Business

1. Business Results of Company and its subsidiary

The operating result of Q1/2022, the company had a total gross profit of Baht 1.06 million, total revenues of the company and its subsidiaries was Baht 9.43 million, comprised of revenue from golf course Baht 8.35 million and revenue from hotel services Baht 1.08 million. Cost of services was Baht 10.49 million and gross profit (Loss) was Baht 1.06 million. Sales and administration expenses was Baht 8.00 million, and net loss of Baht 21.41 million. Comparing to Q1/2021's operating result, the revenues from golf course were Baht 5.71 million and revenue from hotel services Baht 6.88 million and net loss of Baht 0.81 million. The main reason where net loss of Q1/2022 increased from Q1/2021 by Baht 1.87 million or 230.62%, due to the company recognized loss from The Majestic Creek Country Club Limited of Baht 6.46 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, 2022	Country of Registration
The Majestic Creek Country Club Limited	Engaged Golf Course	80.00	Thailand
The Master Real Estate Company Limited	Real Estate Development	100.00	Thailand
Ariya Estate Company Limited	Hotel Services	100.00	Thailand

The preparation of the consolidated financial statements for the three months period ended March 31, 2022 and 2021, the Company did not include the financial statements of HNC Power Co., Ltd. and its subsidiaries (HNC Group) for the three months period end March 31, 2022 and 2021 because the HNC Group did not deliver their financial statements to the Group. However in preparing the consolidated financial statements as at March 31, 2022 and December 31, 2021 the Group has included the financial information of HNC Group as at September 30, 2020 in the consolidated financial statements. Such financial information has not been audited by a certified public accountant and the Company's management assessed that the value of such financial information may be materially different from the current information. Therefore, the Company decided to present assets and liabilities of the HNC Group separately in the consolidated financial statements which the result to presented the other items of assets and liabilities in the consolidated financial statements reflect current financial position.

2. Analysis of Operating Performance

Consolidated Financial Statement (amount in thousand baht)	2022 Q1	2021 Q1	+/- QoQ	+/- YoY
Revenue from Golf Course	8,349	5,708	2,641	46.27
Revenue from Hotel Services	1,078	6,883	(5,805)	(84.34)
Cost of Goods Sold from Golf Course	(7,751)	(7,132)	619	8.67
Cost of Hotel Management	(2,735)	(4,649)	(1,914)	(41.17)
Gross profit (Loss)	(1,058)	810	1,868	230.06
Other Income	2,447	346	2,101	607.22

Consolidated Financial Statement (amount in thousand baht)	2022 Q1	2021 Q1	+/- QoQ	+/- YoY
Selling expenses	(141)	(7)	134	0.19
Administrative expenses	(8,002)	(11,595)	(3,593)	(30.99)
Doubtful Account	(12,305)	(2)	12,307	615,350
Finance Cost	(2,652)	(1,284)	1,368	106.54
Profit (Loss) before Income Tax	(21,711)	(11,732)	9,979	85.06
Income Tax(Expense) Income	300	219	81	36.98
Profit (Loss) for the period	(21,413)	(11,513)	9,900	85.99
Other Comprehensive income (Expenses)	-	2,738	(2,738)	(100.00)
Total Comprehensive Income (Expense) for the period	(21,411)	(8,775)	12,636	144.00

Table : Analysis of Operating Performance

Revenues from Sales and Services

Revenues from Sales and Services by Businesses

Business	Million Baht	
	2022	2021
1. Golf Course Business	8,349	5,708
2. Hotel Services	1,078	6,883
Total	9,427	12,591

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 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 1.07 million.

2.3 Other income

The Company and its subsidiaries have other income amount of Baht 2.45 million which increased 2.10 million or 607% due to interest income decreased.

2.4 Selling and Administrative Expenses

Q1/2022, selling and administration expenses was at Baht 8.14 million, an decrease by Baht 3.45 million or 44.20% from Q1/2021

3. Statements of Financial Position

Consolidated Financial statements (amount in thousand baht)	2022 31 Mar	2021 31 Dec	+/- Difference	+/- %
Assets				
Current Assets	446,508	457,176	(10,668)	(23.34)
Non-Current Assets	1,394,256	1,398,419	(4,163)	(0.30)
Total Current Assets	1,840,764	1,855,595	(14,831)	(0.80)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	281,563	271,536	10,027	3.69
Non-Current Liabilities	70,224	73,671	(3,447)	(4.67)
Total Liabilities	351,787	345,207	6,580	1.91
Shareholders' Equity	1,488,977	1,510,388	21,411	1.42
Total Liabilities and Shareholders' Equity	1,840,764	1,855,595	(14,831)	(0.80)

Table: Statements of Financial Position

Assets

As at 31 March 2022, total assets were Baht 1,840.76 million, decreased by Baht 14.83 million or 0.80% compared to 31 December 2021 due to;

- Current assets decreased by Baht 10.67 million or 23.34% due to Trade and Other Current Receivables decreased 9.63 million or 55.01%
- Non-current assets decreased by Baht 4.16 million or 0.30%

Liabilities

- Current liabilities increased by Baht 10.03 million or 3.69% due to trade and other current payables increased of Baht 6.74 million.
- Non-current liabilities decreased by Baht 3.45 million or 4.68% due to the decrease for Long-Term Borrowing from Financial Institution.

Shareholders' Equity

- Shareholders' equity decreased by Baht 21.41 million from Q1/2022 net loss.

4. Analysis of Statements of Cash Flow

Consolidated Financial statements (amount in thousand baht)	2022 Quarter1	2021 Quarter1
1. Profit (Loss) before Income Tax	(21,411)	(11,513)
2. Net cash provided from (used in) Operating Activities	(1,152)	(5,222)
3. Net cash provided from (used in) Investing Activities	(546)	(1,850)
4. Net cash provided from (used in) Financing Activities	1,261	(2,876)
5. Net increase (decrease) in cash and cash equivalents	(437)	(9,948)
6. Cash and Cash Equivalents at the Beginning of the Period	1,634	11,901
7. Cash and Cash Equivalents at the Ending of the Period	1,197	1,953

Table: Statements of Cash Flow

As at 31 March 2022, the cash and cash equivalents at the ending of the period was at Baht 1.19 million decreased from Q1/2021 amount of Baht 0.76 million, due to the following reasons;

- Net cash used in Operating Activities decreased by Baht 4.07 million, was mainly due to decrease in Trade and Other Current Receivables and increased in Trade and Other Current Payables.
- Net cash provided from Investing Activities decreased by Baht 1.30 million.
- Net cash provided from Financing Activities increased by Baht 4.14 million was mainly due to paid for Long-Term Borrowing from Financial Institution.

5. Key Financial Ratios

Financial Ratios	Unit	2022	2021
		31 March	31 December
Current Ratio	Times	1.585	1.683
Debt Ratio	Times	0.191	0.186
Debt to Equity Ratio	Times	0.230	0.228
		2022	2021
		31 March	31 March
Earnings (Loss) per Share	Baht/Share	(0.0003)	(0.0001)

Table: key financial ratios

Key Financial Ratios of Company and its subsidiary

For Q1/2022, the changes in key financial ratios compared to Q4/2021 are as follows;

- Current ratio was at 1.585 times, decreased from prior quarter, due to decrease in Trade and other Current Receivables.
- Debt ratios was at 0.191 times, increased from prior quarter, due to the decrease in total asset but increase in total liabilities.
- Debt to equity ratio was at 0.230 times increased from prior quarter, due to the increase in total liabilities but decrease in shareholders' equity.
- Earnings (Loss) per share was at Baht (0.0003) per share, decreased from last year, was mainly resulted from loss from operation.