

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Quarter 2/2022

1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2022 Q2	2021 Q1	+/- QoQ
Revenue from Golf Course	6,345	4,692	1,653
Revenue from Hotel Services	2,896	8,070	5,174
Gross profit (Loss)	(1,626)	848	(2,474)
Profit (Loss) before Income Tax	(12,937)	(20,955)	(8,018)
Income Tax (Expenses)	237	221	16
Other Comprehensive Income	-	-	-
Total Comprehensive Income (Expense) for the period	(12,700)	(20,734)	8,034

Table : Business

Business Results of Company and its subsidiary

In Q2/2022, total revenues of the company and its subsidiaries was Baht 9.24 million, comprised of revenue from golf course Baht 6.35 million and revenue from hotel services Baht 2.89 million. Cost of services was Baht 10.86 million and gross profit (Loss) was Baht 1.63 million. Sales and administration expenses was Baht 8.57 million and net loss of Baht 12.70 million. Comparing to Q2/2021's operating result, the revenues from golf course were Baht 4.69 million and revenue from hotel services Baht 2.89 million have gross profit of Baht 8.07 million. The main reason where net loss of Q2/2022 by Baht 12.70 million or due to the company recognized loss from The Majestic Creek Country Club Limited of Baht 6.14 million and recognized loss from Ariya Estate Company Limited of Baht 2.12 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 June 30,2022	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 and for the six months period ended June 30, 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 and for the six months period end June 30, 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 June 30, 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 Q2	2021 Q2	+/- QoQ	%
Revenue from Golf Course	6,345	4,692	1,653	35.23
Revenue from Hotel Services	2,896	8,070	(5,174)	(64.11)
Cost of Goods Sold from Golf Course	(6,858)	(6,673)	(15)	0.22
Cost of Hotel Management	(4,011)	(5,241)	(1,230)	(23.47)
Gross profit (Loss)	(1,626)	848	2,474	291.75
Other Income	149	8,483	(8,334)	(98.24)
Selling expenses	(256)	(42)	214	509.52
Administrative expenses	(8,310)	(13,557)	(5,247)	(38.70)
Expected Credit Loss / Doubt Account	(70)	2	72	3,600.00
Loss on Impairment of Assets	-	(15,362)	15,362	100.00
Finance Cost	(2,824)	(1,327)	1,497	112.82
Profit (Loss) before Income Tax	(12,937)	(20,955)	(8,018)	(38.26)
Income Tax(Expense) Income	237	221	16	7.24
Profit (Loss) for the period	(12,700)	(20,734)	(8,034)	(38.74)
Other Comprehensive income (Expenses)	-	-	-	-
Total Comprehensive Income (Expense) for the period	(12,700)	(20,734)	(8,034)	(38.75)

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	6,345	4,692
2. Hotel Services	2,896	8,070
Total	9,241	12,762

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 2.89 million.

2.3 Other income

The Company and its subsidiaries have other income amount of Baht 0.15 million, a decrease of 8.33 Million baht or 98.24 % from Q2/2021 as a result of gain for sales investment in Eternity Power Public Company Limited (Formerly name Eastern Power Group Public Company Limited) in Year 2021.

2.4 Selling and Administrative Expenses

Q2/2022, selling and administration expenses was at Baht 8.56 million, an decrease by Baht 5.03 million or 37.01% from Q1/2021.

2.4 Expected Credit Losses

Q2/2022 decrease from Q1/2021 and an increase from Q2/2021 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 and has not yet been applied for a business license.

3. Statements of Financial Position

Consolidated Financial statements (amount in thousand baht)	2022 30 Jun	2021 31 Dec	+/- Difference	+/- %
Assets				
Current Assets	444,610	457,176	(12,566)	(2.75)
Non-Current Assets	1,389,486	1,398,419	(11,933)	(0.85)
Total Current Assets	1,834,096	1,855,595	(21,499)	(1.16)

Consolidated Financial statements	2022	2021	+/-	+/-
(amount in thousand baht)	30 Jun	31 Dec	Difference	%
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	289,835	271,536	18,299	6.73
Non-Current Liabilities	67,984	73,671	(5,687)	(7.72)
Total Liabilities	357,819	345,207	12,612	3.65
Shareholders' Equity	1,476,277	1,510,388	(34,111)	(2.26)
Total Liabilities and Shareholders' Equity	1,834,096	1,855,595	(21,499)	(1.16)

Table: Statements of Financial Position

Assets

As at 30 June 2022, total assets were Baht 1,834.09 million, decreased by Baht 21.50 million or 1.16% compared to 31 December 2021 due to;

- Current assets decreased by Baht 12.56 million or 2.75% due to decreased from Trade and Other Current Receivables by Baht 11.15 million.
- Non-current assets decreased by Baht 11.93 million or 0.85% because of increased from depreciation of Property, Plant and Equipment.
- Current liabilities decreased by Baht 18.30 million or 6.74% due to trade and other current payables increased of Baht 12.12 million or 54.58 %
- Non-current liabilities decreased by Baht 5.68 million or 7.72% due to the decrease in Long-Term Borrowing from Financial Institution.

Shareholders' Equity

- Shareholders' equity decreased by Baht 34.11 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)	2022 Q2	2021 Q2
1. Profit (Loss) before Income Tax	(14,111)	(32,247)
2. Net cash provided from (used in) Operating Activities	(2,420)	(36,781)
3. Net cash provided from (used in) Investing Activities	(561)	26,384
4. Net cash provided from (used in) Financing Activities	2,326	(683)
5. Net increase (decrease) in cash and cash equivalents	(655)	(11,080)
6. Cash and Cash Equivalents at the Beginning of the Period	1,634	(11,080)
7. Cash and Cash Equivalents at the Ending of the Period	979	821

Table: Statements of Cash Flow

As at 30 June 2022, the cash and cash equivalents at the ending of the period was at Baht 0.97 million, increased from Q2/2021 amount of Baht 0.16 million, due to the following reasons;

- Net cash used in Operating Activities decreased by Baht 34.36 million, was mainly due to increase in Advance Payment for Land and Construction Lease in Year 2021 amount of Baht 28.95 million.
- Net cash provided from Investing Activities decreased by Baht 26.95 million was mainly due to cash received from disposal of other non-current financial assets increased and paid from Purchase of Investment in Subsidiary.
- Net cash provided from Financing Activities increased by Baht 3.00 million was mainly due to In Q2/2022 Paid for short-term borrowing from Financial Institution of Baht 4.32 million.

5. Key Financial Ratios

Financial Ratios	Unit	2022 30 June	2022 31 March
Current Ratio	Times	1.534	1.585
Debt Ratio	Times	0.195	0.191
Debt to Equity Ratio	Times	0.242	0.230

Financial Ratios	Unit	2022	2022
		30 June	31 March
		2022	2021
		Q2	Q2
Earnings (Loss) per Share	Baht/Share	(0.0001)	(0.0002)

Table: key financial ratios

Key Financial Ratios of Company and its subsidiary

For Q2/2022, the changes in key financial ratios compared to Q1/2022 are as follows;

- Current ratio was at 1.534 times, decreased from prior quarter, due to decrease in trade and other current receivables.
- Debt ratios was at 0.195 times, increased from prior quarter, due to the company has decrease in total asset and increased in total liabilities.
- Debt to equity ratio were at 0.242 times increased from prior quarter, due to the company has increase in total liabilities.
- Loss per share was at Baht 0.0001 per share, decreased from last year, was mainly resulted from loss from operation.