

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

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

#### For Quarter 3/2022

#### 1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2022 Q3	2021 Q3	+/- QoQ
Revenue from Golf Course	6,932	4,085	2,847
Revenue from Hotel Services	2,528	6,210	(3,682)
Gross profit (Loss)	(1,250)	147	1,397
Profit (Loss) before Income Tax	(12,737)	(12,500)	237
Income Tax (Expenses)	240	224	16
Total Comprehensive Income (Expense) for the period	(12,497)	(12,276)	221

Table : Business

#### Business Results of Company and its subsidiary

In Q3 /2022, total revenues of the company and its subsidiaries was Baht 9.46 million, comprised of revenues from golf course Baht 6.93 million and revenue from hotel services Baht 2.52 million. Cost of services was Baht 10.71 million and gross profit (Loss) was Baht 1.25 million. Sales and administration expenses was Baht 8.19 million and have net loss of Baht 12.50 million. Comparing to Q3 /2021's operating result, the revenues from golf course were Baht 4.08 million and revenue from hotel services Baht 6.21 million or a total revenues of Baht 10.29 million and gross profit by Baht 0.15 million. The main reason where net loss of Q3/2022 increased from Q3/2021 by Baht 0.22 million or 1.80% while the Q3/2022's net loss was delivered from operating loss, which due to the company recognized loss from The Majestic Creek Country Club Limited of Baht 5.41 million and recognized loss from Ariya Estate Company Limited of Baht 2.55 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 Sep 30,2022	Country of Registration
The Majestic Creek Country Club Limited	Engaged Golf Course	80.00	Thailand
The Master Real Estate Co., Ltd.	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 nine months period ended September 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 nine months period end September 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 September 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 Q3	2021 Q3	+/- QoQ	%
Revenue from Golf Course	6,932	4,085	2,847	69.69
Revenue from Hotel Services	2,528	6,210	(3,682)	(59.29)

Consolidated Financial Statement (amount in thousand baht)	2022 Q3	2021 Q3	+/- QoQ	%
Cost of Goods Sold from Golf Course	(6,029)	(6,150)	(121)	(1.97)
Cost of Hotel Management	(3,481)	(3,998)	(517)	(12.93)
Gross profit	(1,250)	147	(1,397)	(950.34)
Other Income	161	1,485	(1,324)	(89.16)
Selling expenses	(187)	(16)	171	1,068.75
Administrative expenses	(8,001)	(12,493)	(4,492)	(35.96)
Expected Credit Loss / Doubt Account	(12)	-	12	100.00
Finance Cost	(3,448)	(1,623)	1,825	112.45
Profit (Loss) before Income Tax	(12,737)	(12,500)	237	1.89
Income Tax (Expense)	240	224	16	7.14
Profit (Loss) for the Period	(12,497)	(12,276)	221	1.80
Total Comprehensive Income (Expense) for the period	(12,497)	(12,276)	221	1.80

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	6,932	4,085
2. Hotel Services	2,528	6,210
<b>Total</b>	<b>9,460</b>	<b>10,295</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 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 9 months with a total revenue of Baht 7.81 million.

### 2.3 Selling and Administrative Expenses

Q3/2022, selling and administration expenses was at Baht 8.18 million decreased by Baht 4.32million or 34.54% from Q2/2022.

## 2 Statements of Financial Position

<b>Consolidated Financial statements (amount in thousand baht)</b>	2022 30 Sep	2021 31 Dec	+/-	+/- %
Assets				
Current Assets	445,503	457,176	(11,673)	(2.55)
Non-Current Assets	1,384,690	1,398,419	(13,729)	(0.98)
Total Current Assets	1,830,193	1,855,595	(25,402)	(1.37)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	300,520	271,536	71,016	26.15
Non-Current Liabilities	65,893	73,671	(7,778)	(10.56)
Total Liabilities	366,413	345,207	21,206	6.14
Shareholders' Equity	1,463,780	1,510,388	(46,600)	(3.08)
Total Liabilities and Shareholders' Equity	1,830,193	1,855,595	(25,402)	(1.37)

Table: Statements of Financial Position

### Assets

As at 30 September 2022, total assets were Baht 1,830.19 million, decreased by Baht 25.40 million or 1.37% compared to 31 December 2021 due to;

- Current assets decreased by Baht 11.67 million or 2.55% due to decreased from Trade and Other Current Receivables by Baht 10.76 million.
- Non-current assets decreased by Baht 13.73 million or 0.98% because increased from depreciation of Property, Plant and Equipment.

### Liabilities

- Current liabilities increased by Baht 71.02 million or 26.15% due to trade and other current payables increased of Baht 13.98 million or 62.93%
- Non-current liabilities decreased by Baht 7.78 million or 10.56% due to the decrease in Long-Term Borrowing from Financial Institution.

### **Shareholders' Equity**

- Shareholders' equity decreased by Baht 46.61 million from net loss for the Q3/2022 and 9 month period of the year 2022 increase.

### **3 Analysis of Statements of Cash Flow**

Consolidated Financial statements (amount in thousand baht)	2022 Q3	2021 Q3
1. Profit (Loss) before Income Tax	(46,608)	(44,523)
2. Profit (Loss) from Operating Activities before Changes in Operating Assets and Liabilities	(10,813)	(18,516)
3. Net cash provided from (used in) Operating Activities	(8,542)	(54,034)
4. Net cash provided from (used in) Investing Activities	(567)	39,579
5. Net cash provided from (used in) Financing Activities	9,160	4,503
6. Net increase (decrease) in cash and cash equivalents	51	(9,952)
7. Cash and Cash Equivalents at the Beginning of the Period	1,634	11,901
8. Cash and Cash Equivalents at the Ending of the Period	1,685	1,949

Table: Statements of Cash Flow

As at 30 September 2022, the cash and cash equivalents at the ending of the period was at Baht 1.68 million, and net cash flow decreased by Baht 0.26 million from Q3/2021, due to the following reasons;

- Net cash used in Operating Activities decreased by Baht 45.49 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 40.09 million was mainly due to received from Disposal on Current Investment and paid for purchase of Investment in Subsidiary.
- Net cash used in from Financing Activities increased by Baht 4.66 million due to Q3/2022 the company received from Long-Term Borrowing from Financial Institution amount of Baht 5.39 million.

#### 4 Key Financial Ratios

Financial Ratios	Unit	2022 30 Sep	2022 30 Jun
Current Ratio	Times	1.482	1.534
Debt Ratio	Times	0.200	0.195
Debt to Equity Ratio	Times	0.250	0.242
		2022 Q3	2021 Q3
Earnings (Loss) per Share	Baht/Share	(0.0001)	(0.0001)

Table: key financial ratios

#### Key Financial Ratios of Company and its subsidiary

For Q3/2022, the changes in key financial ratios compared to Q2/2022 are as follows;

- Current ratio was at 1.482 times, decreased from last quarter, due to decrease in asset and share increase in liabilities.
- Debt ratios was at 0.200 times, slightly increased from last quarter.
- Debt to equity ratio ware at 0.250 times, slightly increase from last quarter.
- Loss per share was at Baht 0.0001 per share, compared from prior year, was mainly resulted from loss from operation.