

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Year End 2022

1. Business Results

| Consolidated Financial Statement (amount in thousand baht) | 2022 | 2021 | change | % |
|---|----------|----------|----------|----------|
| Revenue from Golf Course | 31,662 | 21,718 | 9,944 | 45.79 |
| Revenue from Hotel Services | 9,356 | 22,691 | (13,331) | (58.77) |
| Gross profit (loss) | (3,020) | (903) | 2,117 | 234.44 |
| Profit (Loss) before Income Tax | (59,068) | (58,089) | 979 | 1.68 |
| Income Tax (Expenses) | 1,017 | 888 | 129 | 14.53 |
| Profit (Loss) for the period | (58,051) | (57,201) | 850 | 1.49 |
| Other Comprehensive Income | - | 2,737 | (2,737) | (100.00) |
| Total Comprehensive Income (Expense) for the year | (58,051) | (54,464) | 3,587 | 6.59 |

Table : Business

Business Results of Company and its subsidiary

The operating result for the year 2022, the company had a total gross loss of Baht 3.02 million, total revenues of the company and its subsidiaries was Baht 41.02 million comprised of revenues from golf course Baht 31.66 million and revenue from hotel services Bath 9.36 million. Cost of services was Baht 44.04 million and gross loss was Baht 3.02 million. Sales and administration expenses was Baht 35.67 million and net loss of Baht 58.05 million. Comparing year 2021 operating result, the revenues from golf course were Baht 21.72 million and revenue from hotel services Bath 22.69 million or a total revenues of Baht 44.41 million with only Baht 0.90 million gross loss. The main reason where net loss of year 2022 increased from year 2021 by Baht 3.59 million or 6.59% which due to the company recognized operation loss from The Majestic Creek Country Club Limited of Baht 15.18 million , operation loss from Ariya Estate Company Limited of Baht 10.85 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, 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 as at December 31, 2022 and 2021, the Company did not include the financial statements of HNC Power Co., Ltd. and its subsidiaries (HNC Group) for the years ended December 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 December 31, 2022 and 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 (Million baht) | Year (January – December) | | |
|--|---------------------------|-------|---------|
| | 2022 | 2021 | Change |
| Revenue from Golf Course | 31.66 | 21.72 | 9.94 |
| Revenue for Hotel Services | 9.36 | 22.69 | (13.34) |

| Consolidated Financial Statement (Million baht) | Year (January – December) | | |
|--|---------------------------|----------------|---------------|
| | 2022 | 2021 | Change |
| Cost of Goods Sold from Golf Course | (25.48) | (28.11) | (2.63) |
| Cost of Hotel Management | (13.47) | (17.20) | (3.73) |
| Gross profit (Loss) | (3.020) | (0.90) | (2.12) |
| Other Income | 3.62 | 3.51 | 0.11 |
| Gain on Disposal of Other Non-Current Financial Assets | - | 7.67 | (7.67) |
| Selling expenses | (0.77) | (0.15) | 0.62 |
| Administrative expenses | (34.90) | (46.58) | (11.68) |
| Expected Credit Losses | (12.49) | (0.25) | 12.24 |
| Loss from Impairment on Assets | - | (15.61) | (15.61) |
| Finance Cost | (11.50) | (6.03) | 5.47 |
| Profit (Loss) before Income Tax | (47.57) | (52.06) | (4.49) |
| Income Tax (Expense) Income | 1.02 | 0.89 | 0.13 |
| Other Comprehensive income (Expense) | - | 2.74 | (2.74) |
| Total Comprehensive Income (Expense) for the Year | (58.05) | (54.46) | 3.59 |

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 | 31.66 | 21.72 |
| 2. Hotel Services | 9.36 | 22.69 |
| Total | 41.02 | 44.41 |

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 2022 with a total revenue of Baht 9.36 million.

2.3 Selling and Administrative Expenses

In year 2022, selling and administration expenses was at Baht 35.67 million, and decreased by Baht 11.06 million or 23.67%

2.4 Loss from Impairment of Asset

In 2022, the Company was no loss from impairment of asset, resulting in a decrease of 15.61 million baht in total amount.

3. Statements of Financial Position

| Consolidated Financial statements (amount in million baht) | 2022 31-Dec | 2021 31-Dec | +/- YoY | +/- % |
|---|----------------|----------------|------------|----------|
| Assets | | | | |
| Current Assets | 444,562 | 457,176 | (12,614) | (2.76) |
| Non-Current Assets | 1,380,125 | 1,398,419 | (18,294) | (1.31) |
| Total Current Assets | 1,824,688 | 1,855,595 | (30,907) | (1.66) |
| Liabilities and Shareholders' Equity | | | | |
| Liabilities | | | | |
| Current Liabilities | 307,983 | 271,536 | 36,447 | 13.42 |
| Non-Current Liabilities | 64,367 | 73,671 | (9,304) | (12.63) |
| Total Liabilities | 372,350 | 345,207 | 27,143 | 7.86 |
| Shareholders' Equity | 1,452,338 | 1,510,388 | (58,050) | (3.84) |
| Total Liabilities and Shareholders' Equity | 1,824,688 | 1,855,595 | (30,907) | (1.66) |

Table: Statements of Financial Position

Asset

As at 31 December 2022, total assets were Baht 1,824.69 million, decreased by Baht 30.91 million or 1.67% compared to 31 December 2021, which due to the following reasons;

- Current assets decreased by Baht 12.61 million or 2.76% due to decreased from Trade and Other Current Receivables by Baht 12.27 million.
- Non-current assets decreased by Baht 18.43 million or 1.32% because increased from depreciation of Property, Plant and Equipment.

Liabilities

- Current liabilities increased by Baht 36.45 million or 13.42% due to trade and other current payables increased of Baht 12.68 million or 57.08%
- Non-current liabilities decreased by Baht 9.30 million or 12.63% due to the decrease in Long-Term Borrowing from Financial Institution.

Shareholders' Equity

- Shareholders' equity decreased by Baht 58.05 million from net loss in 2022.

4. Analysis of Statements of Cash Flow

| Consolidated Financial statements (amount in million baht) | 2022 | 2021 |
|--|---------|---------|
| 1. Profit (Loss) before Income Tax | (58.05) | (57.20) |
| 2. Profit (Loss) from Operating Activities before Changes in Operating Assets and Liabilities | (15.58) | (23.69) |
| 3. Net cash provided from (used in) Operating Activities | (9.68) | (53.63) |
| 4. Net cash provided from (used in) Investing Activities | (0.16) | 39.48 |
| 5. Net cash provided from (used in) Financing Activities | 10.29 | 3.88 |
| 6. Net increase (decrease) in cash and cash equivalents | 0.44 | (10.27) |
| 7. Cash and Cash Equivalents at the Beginning of the Period | 1.63 | 11.90 |
| 8. Cash and Cash Equivalents at the Ending of the Period | 2.08 | 1.63 |

Table: Statements of Cash Flow

In year 2022, the cash and cash equivalents at the ending of the period was at Baht 2.08 million, increased from year 2021 by Baht 0.45 million due to the following reasons;

- Net cash provided for Operating Activities decreased by Baht 43.95 million.

- Net cash provided from Investing Activities decreased by Baht 39.65 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 6.41 million due to Year 2022 the company received from Long-Term Borrowing from Financial Institution amount of Baht 6.10 million.