

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Quarter 1/2023

Consolidated Financial Statement (amount in thousand baht)	2023 Q1	2022 Q1	+/- QoQ
Revenue from Golf Course	21,460	8,349	13,111
Revenue from Hotel Services	3,915	1,078	2,837
Gross profit (Loss)	11,655	(1,058)	12,713
Profit (Loss) before Income Tax	762	(21,711)	22,473
Total Comprehensive Income (Expense) for the period	997	(21,411)	22,408

Table : Business

1. Business Results of Company and its subsidiary

The operating result of Q1/2023, the company had a total gross profit of Baht 11.66 million, total revenues of the company and its subsidiaries was Baht 25.38 million, comprised of revenue from golf course Baht 21.46 million and revenue from hotel services Baht 3.92 million. Cost of services was Baht 13.72 million and gross profit (Loss) was Baht 11.66 million. Sales and administration expenses was Baht 8.08 million, and net profit of Baht 0.99 million. Comparing to Q1/2022's operating result, the revenues from golf course were Baht 8.34 million and revenue from hotel services Baht 1.07 million and net loss of Baht 1.06 million. The main reason where net profit of Q1/2023 increased from Q1/2022 by Baht 22.41 million or 104.66%, due to the company recognized profit from The Majestic Creek Country Club Limited of Baht 13.75 million and recognized loss from Ariya Estate Company Limited of Baht 2.03 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, 2023	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, 2023 and 2022, 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, 2023 and 2022 because the HNC Group did not deliver their financial statements to the Group. However in preparing the consolidated financial statements as at March 31, 2023 and December 31, 2022 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)	2023 Q1	2022 Q1	+/- QoQ	+/- YoY
Revenue from Golf Course	21,460	8,349	13,111	157.04
Revenue from Hotel Services	3,915	1,078	2,837	263.17
Cost of Goods Sold from Golf Course	(9,616)	(7,751)	1,865	24.06
Cost of Hotel Management	(4,104)	(2,735)	1,369	50.05
Gross profit (Loss)	11,655	(1,058)	12,713	1,201.60
Other Income	420	2,447	(2,027)	(82.84)
Gain from debt reduction	8,330	-	8,330	100.00
Selling expenses	(250)	(141)	(109)	(77.30)

Consolidated Financial Statement (amount in thousand baht)	2023 Q1	2022 Q1	+/- QoQ	+/- YoY
Administrative expenses	(15,493)	(8,002)	(7,491)	(93.61)
Doubtful Account	(981)	(12,305)	11,324	92.03
Finance Cost	(2,919)	(2,652)	(267)	(10.07)
Profit (Loss) before Income Tax	762	(21,711)	22,473	(103.51)
Income Tax(Expense) Income	235	300	(65)	(21.67)
Profit (Loss) for the period	997	(21,411)	22,408	(104.66)
Total Comprehensive Income (Expense) for the period	997	(21,411)	22,408	(104.66)

Table : Analysis of Operating Performance

Revenues from Sales and Services

Revenues from Sales and Services by Businesses

Business	Million Baht	
	2023	2022
1. Golf Course Business	21,460	8,349
2. Hotel Services	3,915	1,078
Total	25,375	9,427

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 3.92 million.

2.4 Selling and Administrative Expenses

Q1/2023, selling and administration expenses was at Baht 15.74 million, an increase by Baht 7.60 million or 93.33% from Q1/2022

3. Statements of Financial Position

Consolidated Financial statements	2023	2022	+/-	+/-
(amount in thousand baht)	31 Mar	31 Dec	Difference	%
Assets				
Current Assets	452,866	444,562	8,304	1.88
Non-Current Assets	1,375,168	1,380,125	(4,957)	(0.36)
Total Current Assets	1,828,034	1,824,688	3,346	0.18
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	312,231	307,983	4,248	1.38
Non-Current Liabilities	62,469	64,367	(1,898)	(2.95)
Total Liabilities	374,700	372,350	2,350	0.63
Shareholders' Equity	1,453,334	1,452,338	996	0.07
Total Liabilities and Shareholders' Equity	1,828,034	1,824,688	3,346	0.18

Table: Statements of Financial Position

Assets

As at 31 March 2023, total assets were Baht 1,828.03 million, increased by Baht 3.35 million or 0.18% compared to 31 December 2022 due to;

- Current assets increased by Baht 8.30 million or 1.88% due to Trade and Other Current Receivables decreased 4.29 million or 81.97%
- Non-current assets decreased by Baht 4.96 million or 0.36%

Liabilities

- Current liabilities increased by Baht 4.24 million or 1.38% due to trade and other current payables increased of Baht 7.65 million.
- Non-current liabilities decreased by Baht 1.89 million or 42.95% due to the decrease for Long-Term Borrowing from Financial Institution.

Shareholders' Equity

- Shareholders' equity increased by Baht 0.99 million from Q1/2023 net profit.

4. Analysis of Statements of Cash Flow

Consolidated Financial statements (amount in thousand baht)	2023 Quarter1	2022 Quarter1
1. Profit (Loss) before Income Tax	997	(21,411)
2. Net cash provided from (used in) Operating Activities	2,101	(1,152)
3. Net cash provided from (used in) Investing Activities	(22)	(546)
4. Net cash provided from (used in) Financing Activities	1,963	1,261
5. Net increase (decrease) in cash and cash equivalents	4,042	(437)
6. Cash and Cash Equivalents at the Beginning of the Period	2,079	1,634
7. Cash and Cash Equivalents at the Ending of the Period	6,121	1,197

Table: Statements of Cash Flow

As at 31 March 2023, the cash and cash equivalents at the ending of the period was at Baht 6.12 million decreased from Q1/2022 amount of Baht 4.92 million, due to the following reasons;

- Net cash used in Operating Activities increased by Baht 3.25 million, was mainly due to increase in Trade and Other Current Receivables and increased in Trade and Other Current Payables.
- Net cash provided from Investing Activities decreased by Baht 0.52 million.
- Net cash provided from Financing Activities increased by Baht 0.70 million was mainly due to paid for Long-Term Borrowing from Financial Institution.

5. Key Financial Ratios

Financial Ratios	Unit	2023 31 March	2022 31 December
Current Ratio	Times	1.45	1.44
Debt Ratio	Times	0.21	0.20
Debt to Equity Ratio	Times	0.27	0.26
		2023 31 March	2022 31 March
Earnings (Loss) per Share	Baht/Share	(0.00002)	(0.00025)

Table: key financial ratios

Key Financial Ratios of Company and its subsidiary

For Q1/2023, the changes in key financial ratios compared to Q4/2022 are as follows;

- Current ratio was at 1.45 times, increased from prior quarter, due to increase in Trade and other Current Receivables.
- Debt ratios was at 0.21 times, increased from prior quarter, due to the increase in total asset but increase in total liabilities.
- Debt to equity ratio was at 0.27 times increased from prior quarter, due to the increase in total liabilities and increase in shareholders' equity.
- Earnings (Loss) per share was at Baht (0.00002) per share, increased from last year, was mainly resulted from profit from operation.