

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Quarter 2/2023

1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2023 Q2	2022 Q1	+/- QoQ
Revenue from Golf Course	7,301	6,345	956
Revenue from Hotel Services	4,658	2,896	1,762
Gross profit (Loss)	(1,214)	(1,626)	412
Profit (Loss) before Income Tax	(15,489)	(12,937)	(2,552)
Income Tax (Expenses)	238	237	1
Total Comprehensive Income (Expense) for the period	(15,251)	(12,700)	(2,551)

Table : Business

Business Results of Company and its subsidiary

In Q2/2023, total revenues of the company and its subsidiaries was Baht 11.95 million, comprised of revenue from golf course Baht 7.30 million and revenue from hotel services Baht 4.66 million. Cost of services was Baht 13.17 million and gross profit (Loss) was Baht 1.21 million. Sales and administration expenses was Baht 10.57 million and net loss of Baht 15.25 million. Comparing to Q2/2022's operating result, the revenues from golf course were Baht 6.41 million and revenue from hotel services Baht 2.83 million have gross loss of Baht 2.55 million. The main reason where net loss of Q2/2022 by Baht 15.25 million or due to the company recognized loss from The Majestic Creek Country Club Limited of Baht 7.53 million and recognized loss from Ariya Estate Company Limited of Baht 1.36 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 30,2023	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 and for the six months period ended June 30, 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 and for the six months period end June 30, 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 June 30, 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 Q2	2022 Q2	+/- QoQ	%
Revenue from Golf Course	7,301	6,345	889	13.86
Revenue from Hotel Services	4,658	2,896	1,829	64.65
Cost of Goods Sold from Golf Course	(9,119)	(6,858)	(1,297)	16.58
Cost of Hotel Management	(4,054)	(4,011)	(1,009)	33.14
Gross profit (Loss)	(1,214)	(1,626)	412	25.33
Other Income	118	149	(31)	(20.81)
Selling expenses	(241)	(256)	15	(5.86)

Consolidated Financial Statement (amount in thousand baht)	2023 Q2	2022 Q2	+/- QoQ	%
Administrative expenses	(10,330)	(8,310)	(2,020)	24.31
Expected Credit Loss / Doubt Account	(154)	(70)	(84)	120
Loss on Impairment of Assets	(3,668)	(2,824)	(844)	29.89
Finance Cost	(1,214)	(1,626)	412	25.33
Profit (Loss) before Income Tax	(15,489)	(12,937)	(2,552)	19.73
Income Tax(Expense) Income	238	237	1	0.42
Profit (Loss) for the period	(15,251)	(12,700)	(2,551)	20.09
Total Comprehensive Income (Expense) for the period	(15,251)	(12,700)	(2,551)	20.09

Table : Analysis of Operating Performance

Revenues from Sales and ServicesRevenues from Sales and Services by Businesses

Business	Million Baht	
	2023	2022
1. Golf Course Business	7,301	6,345
2. Hotel Services	4,658	2,896
Total	11,959	9,241

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 4.66 million.

2.3 Selling and Administrative Expenses

Q2/2023, selling and administration expenses was at Baht 10.57 million, an increase by Baht 2.01 million or 81.03% from Q1/2022.

3. Statements of Financial Position

Consolidated Financial statements	2023	2022	+/-	+/-
(amount in thousand baht)	30 Jun	31 Dec	Difference	%
Assets				
Current Assets	450,994	444,562	6,432	1.45
Non-Current Assets	1,370,762	1,380,125	(9,363)	(0.67)
Total Current Assets	1,821,756	1,824,688	(2,932)	(0.16)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	323,625	307,983	15,642	5.08
Non-Current Liabilities	60,048	64,367	(4,319)	(6.71)
Total Liabilities	383,673	372,350	11,323	3.04
Shareholders' Equity	1,438,083	1,452,338	(14,255)	(0.98)
Total Liabilities and Shareholders' Equity	1,821,756	1,824,688	(2,932)	(0.16)

Table: Statements of Financial Position

Assets

As at 30 June 2023, total assets were Baht 1,821.75 million, decreased by Baht 2.93 million or 0.16% compared to 31 December 2022 due to;

- Current assets increased by Baht 6.43 million or 1.45% due to increased from Trade and Other Current Receivables by Baht 2.46 million.
- Non-current assets decreased by Baht 9.43 million or 0.67% because increased from depreciation of Property, Plant and Equipment.
- Current liabilities increased by Baht 15.64 million or 5.08% due to trade and other current payables increased of Baht 14.23 million or 40.78%
- Non-current liabilities decreased by Baht 4.32 million or 6.71% due to the decrease in Long-Term Borrowing from Financial Institution.

Shareholders' Equity

- Shareholders' equity decreased by Baht 14.26 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)	2023 Q2	2022 Q2
1. Profit (Loss) before Income Tax	(14,254)	(34,111)
2. Net cash provided from (used in) Operating Activities	(501)	(2,420)
3. Net cash provided from (used in) Investing Activities	(230)	(561)
4. Net cash provided from (used in) Financing Activities	4,597	2,326
5. Net increase (decrease) in cash and cash equivalents	3,866	(655)
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	5,945	979

Table: Statements of Cash Flow

As at 30 June 2023, the cash and cash equivalents at the ending of the period was at Baht 5.94 million, increased from Q2/2022 amount of Baht 4.97 million, due to the following reasons;

- Net cash used in Operating Activities decreased by Baht 1.92 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 0.33 million.
- Net cash provided from Financing Activities increased by Baht 2.27 million was mainly due to in Q2/2023 Paid for short-term borrowing from Financial Institution of Baht 33.58 million.

5. Key Financial Ratios

Financial Ratios	Unit	2023 30 June	2023 31 March
Current Ratio	Times	1.39	1.45
Debt Ratio	Times	0.22	0.21
Debt to Equity Ratio	Times	0.28	0.27
		2023 Q2	2022 Q2
Earnings (Loss) per Share	Baht/Share	(0.0002)	(0.0001)

Table: key financial ratios

Key Financial Ratios of Company and its subsidiary

For Q2/2023, the changes in key financial ratios compared to Q1/2023 are as follows;

- Current ratio was at 1.39 times, decreased from prior quarter, due to decrease in trade and other current receivables.
- Debt ratios was at 0.22 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 0.28 times increased from prior quarter, due to the company has increase in total liabilities.
- Loss per share was at Baht 0.0002 per share, decreased from last year, was mainly resulted from loss from operation.