

Management's Discussion and Analysis (MD&A)

MAX METAL CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

For Quarter 3/2023

1. Business Results

Consolidated Financial Statement (amount in thousand baht)	2023 Q3	2022 Q3	+/- QoQ
Revenue from Golf Course	10,250	6,932	3,318
Revenue from Hotel Services	2,917	2,528	389
Gross profit (Loss)	54	(1,250)	1,304
Profit (Loss) before Income Tax	(13,869)	(12,737)	1,132
Income Tax (Expenses)	239	240	(1)
Total Comprehensive Income (Expense) for the period	(13,630)	(12,497)	1,133

Table : Business

Business Results of Company and its subsidiary

In Q3/2023, total revenues of the company and its subsidiaries was Baht 13.17 million, comprised of revenue from golf course Baht 10.25 million and revenue from hotel services Baht 2.92 million. Cost of services was Baht 13.11 million and gross profit was Baht 0.05 million. Sales and administration expenses was Baht 9.97 million and net loss of Baht 13.63 million. Comparing to Q3/2022's operating result, the revenues from golf course were Baht 6.93 million and revenue from hotel services Baht 2.53 million have gross loss of Baht 1.25 million. The main reason where net loss of Q3/2023 increased from Q3/2022 by Baht 1.30 million or 106% due to the company recognized loss from The Majestic Creek Country Club Limited of Baht 4.43 million and recognized loss from Ariya Estate Company Limited of Baht 2.68 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 September 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 nine months period ended September 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 nine months period end September 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 September 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 Q3	2022 Q3	+/- QoQ	%
Revenue from Golf Course	10,250	6,932	3,318	47.86
Revenue from Hotel Services	2,917	2,528	389	15.38
Cost of Goods Sold from Golf Course	(9,012)	(6,029)	2,983	49.48
Cost of Hotel Management	(4,101)	(3,481)	620	17.81
Gross profit (Loss)	54	(1,250)	1,314	105.12
Other Income	156	161	(5)	(3.11)
Selling expenses	(234)	(187)	47	25.13

Consolidated Financial Statement (amount in thousand baht)	2023 Q3	2022 Q3	+/- QoQ	%
Administrative expenses	(9,740)	(8,001)	1,739	21.74
Expected Credit Loss / Doubt Account	(33)	(12)	21	175.00
Finance Cost	(4,072)	(3,448)	624	18.09
Profit (Loss) before Income Tax	(13,869)	(12,737)	1,132	8.88
Income Tax(Expense) Income	239	240	(1)	(0.42)
Profit (Loss) for the period	(13,630)	(12,497)	1,133	9.07
Total Comprehensive Income (Expense) for the period	(13,630)	(12,497)	1,133	9.07

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	10,250	6,932
2. Hotel Services	2,917	2,528
Total	13,167	9,460

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 2.92 million.

2.3 Selling and Administrative Expenses

Q3/2023, selling and administration expenses was at Baht 9.97 million, an increase by Baht 1.78 million or 21.81% from Q3/2022.

3. Statements of Financial Position

Consolidated Financial statements	2023	2022	+/-	+/-
(amount in thousand baht)	30 Sep	31 Dec	Difference	%
Assets				
Current Assets	448,966	444,562	4,404	0.99
Non-Current Assets	1,369,119	1,380,125	(11,006)	0.80
Total Current Assets	1,818,085	1,824,688	(6,603)	(0.36)
Liabilities and Shareholders' Equity				
Liabilities				
Current Liabilities	334,010	307,983	26,027	8.45
Non-Current Liabilities	59,622	64,367	(4,745)	(73.72)
Total Liabilities	393,632	372,350	21,282	5.72
Shareholders' Equity	1,424,453	1,452,338	(27,885)	(1.92)
Total Liabilities and Shareholders' Equity	1,818,085	1,824,688	(6,603)	(0.36)

Table: Statements of Financial Position

Assets

As at 30 September 2023, total assets were Baht 1,818.08 million, decreased by Baht 6.60 million or 0.36% compared to 31 December 2022 due to;

- Current assets increased by Baht 4.40 million or 0.99% due to increased from Trade and Other Current Receivables by Baht 1.58 million.
- Non-current assets decreased by Baht 11.00 million or 0.80% because increased from depreciation of Property, Plant and Equipment.
- Current liabilities increased by Baht 26.03 million or 8.45% due to trade and other current payables increased of Baht 7.30 million or 20.93%
- Non-current liabilities decreased by Baht 4.74 million or 73.72% due to the decrease in Long-Term Borrowing from Financial Institution.

Shareholders' Equity

- Shareholders' equity decreased by Baht 27.88 million from the period of nine months which net loss increase.

4. Analysis of Statements of Cash Flow

Consolidated Financial statements (amount in thousand baht)	2023 Q3	2022 Q3
1. Profit (Loss) before Income Tax	(27,864)	(46,608)
2. Net cash provided from (used in) Operating Activities	(10,189)	(10,813)
3. Net cash provided from (used in) Investing Activities	(14,377)	(8,542)
4. Net cash provided from (used in) Financing Activities	(2,201)	(567)
5. Net increase (decrease) in cash and cash equivalents	19,299	9,160
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	4,800	1,685

Table: Statements of Cash Flow

As at 30 September 2023, the cash and cash equivalents at the ending of the period was at Baht 4.80 million, increased from Q3/2022 amount of Baht 3.11 million, due to the following reasons;

- Net cash used in Operating Activities decreased by Baht 5.83 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 1.63 million.
- Net cash provided from Financing Activities increased by Baht 10.14 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 September	2023 30 June
Current Ratio	Times	1.34	1.39
Debt Ratio	Times	0.23	0.22
Debt to Equity Ratio	Times	0.28	0.28
		2023 Q3	2022 Q3
Earnings (Loss) per Share	Baht/Share	(0,0002)	(0.0001)

Table: key financial ratios

Key Financial Ratios of Company and its subsidiary

For Q3/2023, the changes in key financial ratios compared to Q2/2023 are as follows;

- Current ratio was at 1.34 times, decreased from prior quarter, due to increase in trade and other current receivables.
- Debt ratios was at 0.23 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.