

**MARKET CONNECTIONS ASIA
PUBLIC COMPANY LIMITED**

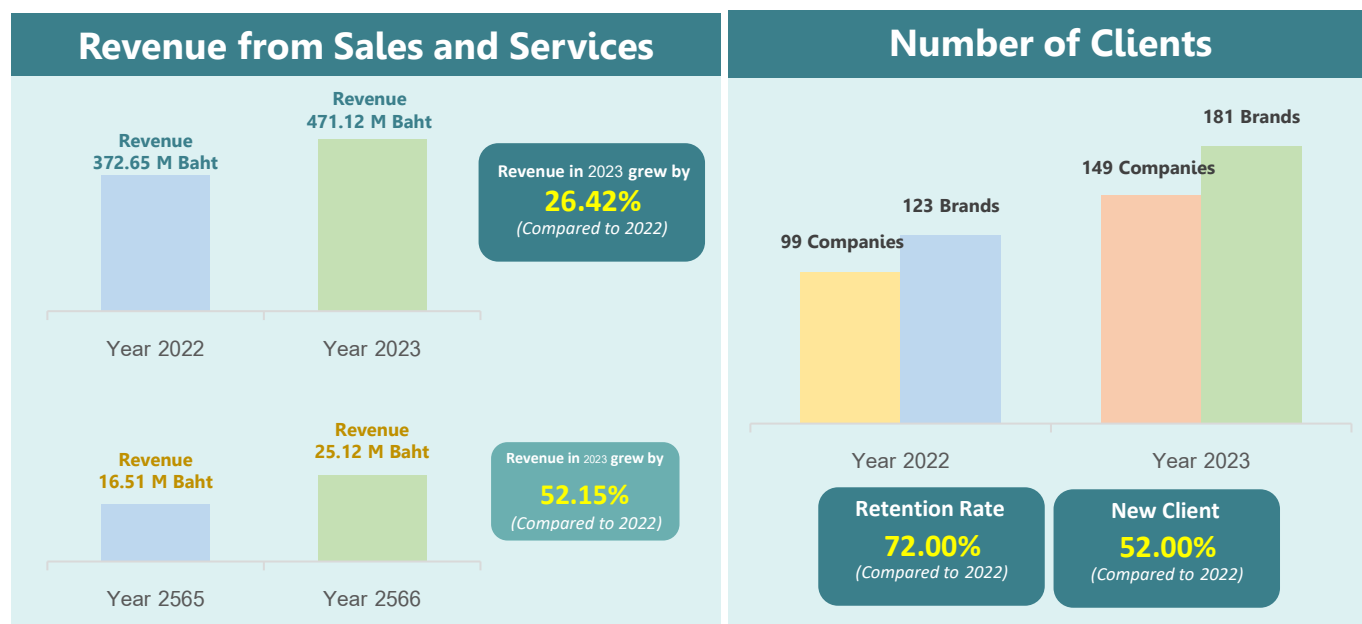


Management's Discussion and Analysis (MD&A)

Year 2023

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1. Overview of Past Operations



Overview of the Company's performance in the year 2023: The Company generated revenue from sales and services of THB 471.12 million, with revenue growth of THB 98.47 million or an increase of 26.42%. The Company served 149 companies and 181 brands, with an increase of 50 companies and 58 brands. This increase comprised 72% existing customers who continued their engagement and 28% new customers. The growth was attributed to three main factors.

1) The easing of the COVID-19 situation allowed for continued investment in marketing activities throughout the year. Compared to 2022, where the beginning of the year was still impacted by the COVID-19 pandemic, including the spread of the Omicron variant, the reopening of countries led to the return of tourists. This resulted in an expansion of consumer spending at a high level.

2) Expanding service channels and introducing new service businesses.

3) Issuing and offering shares to external individuals, as the company enters the stock market as a public company, is aimed at enhancing market competitiveness. This move enables the Company to expand its capacity to provide services and manage operations that require a significant increase in the number of employees or staff.

At present, the Company has the following top 10 customer groups with the highest service usage:



Description	Year 2022	Year 2023	Variance	
	Million Baht	Million Baht	Million Baht	Percentage %
Revenues from sales and services	372.65	471.12	98.47	26.42
Cost of sales and services	289.77	365.63	75.86	26.18
Gross profit	82.88	105.48	22.60	27.27
Other income	0.12	0.19	0.07	58.33
Selling expenses	22.26	27.18	4.92	22.10
Administrative expenses	39.41	48.01	8.60	22.82
Profit from operations	21.33	30.48	9.15	42.90
Financial income	-	0.17	0.17	N/A
Profit from disposal of assets	-	0.31	0.31	N/A
Expected credit loss	-	0.64	0.64	N/A
Finance costs	0.84	1.15	0.31	36.90
Profit before income tax	20.49	29.65	9.16	44.70
Tax expense	3.98	4.53	0.55	13.82
Profit for the year	16.51	25.12	8.61	52.15
Total comprehensive income	16.51	25.63	9.12	55.24

Revenue: From Sales and Services

In 2023, the Company's revenue surged by THB 98.47 million (26.42%) to reach THB 471.12 million, compared to THB 372.65 million in 2022. The Company's customer base also expanded significantly, serving 149 companies and 181 brands in 2023, representing an increase of 50 companies and 58 brands from 2022's figures (99 companies and 123 brands). Notably, 72% of this growth came from existing customers who remained engaged with the company.

Net Profit and Net Profit Margin

In 2023, the Company's net profit from operations surged 52.15% year-over-year to THB 25.12 million. This, combined with other profits, total comprehensive income to THB 25.63 million, an increase of 55.24% from 2022's THB 16.51 million. The Company attributes this growth to increased revenue, efficient cost management, and effective sales and marketing expenses. The net profit margin also improved, rising from 4.43% in 2022 to 5.44% in 2023, reflecting efficient management practices.

Cost of Sales and Services

The Company's cost of sales and services in 2023 amounted to THB 365.63 million, compared to THB 289.77 million in 2022, representing an increase of 26.18%. This cost is divided into the following components:

The cost of sales increased to THB 12.73 million due to the launch of our new product distribution service in Q3 2023. This new business line involved procuring goods from manufacturers for promotional activities and distribution, contributing to the rise in costs.

The cost of services rose by THB 63.13 million (21.79%) to THB 352.90 million in 2023, primarily driven by the expansion of our Merchandiser (shared service) across various distribution channels. This expansion, which began in Q1 2023, necessitated hiring additional staff to cover all service channels nationwide, leading to higher sales expenses.

Sales and Administrative Expenses

In 2023, the company's sales and administrative expenses increased by THB 13.52 million (22.92%) to THB 75.19 million, compared to THB 61.67 million in 2022. These expenses are divided as follows:

In 2023, selling expenses rose by THB 4.92 million (22.10%) to THB 27.18 million, compared to THB 22.26 million in 2022. This increase is primarily due to:

- Increased personnel costs: Staffing across all business units expanded to handle the company's growing workload.
- Higher distribution expenses: Costs associated with distributing goods also increased.

In 2023, administrative expenses increased by THB 8.60 million (22.82%) to THB 48.01 million, compared to THB 39.41 million in 2022. This rise was primarily driven by:

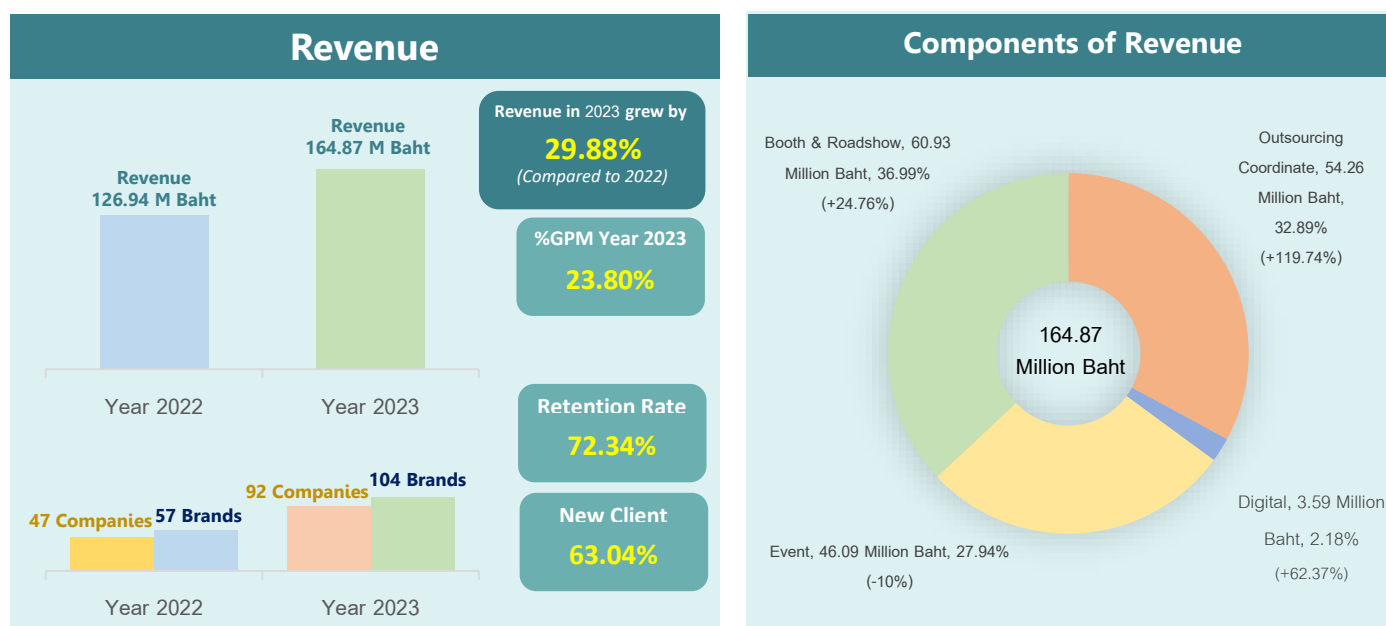
- THB 1.56 million for ongoing administrative needs.
- THB 7.04 million for issuing and offering shares to external investors.

Performance of Each Business Unit in the Past Period

The Company generates revenue from 5 business types: 1) Marketing and Digital Event Organizing Services. 2) Packing and Logistics Services 3) Product Consultant Services 4) Merchandiser Services 5) Sales & Distribution Services (SDS)

Revenue Structure	Year 2022	Year 2023	Variance	
	Million Baht	Million Baht	Million Baht	Percentage %
Marketing and digital activities	126.94	164.87	37.93	29.88
Packing and logistics	12.16	17.07	4.91	40.38
Product consultants	101.86	120.11	18.25	17.92
Merchandising	131.68	154.79	23.11	17.55
Distributor		14.28	14.28	N/A
Grand Total	372.65	471.12	98.47	26.42

Revenue from Marketing and Digital.



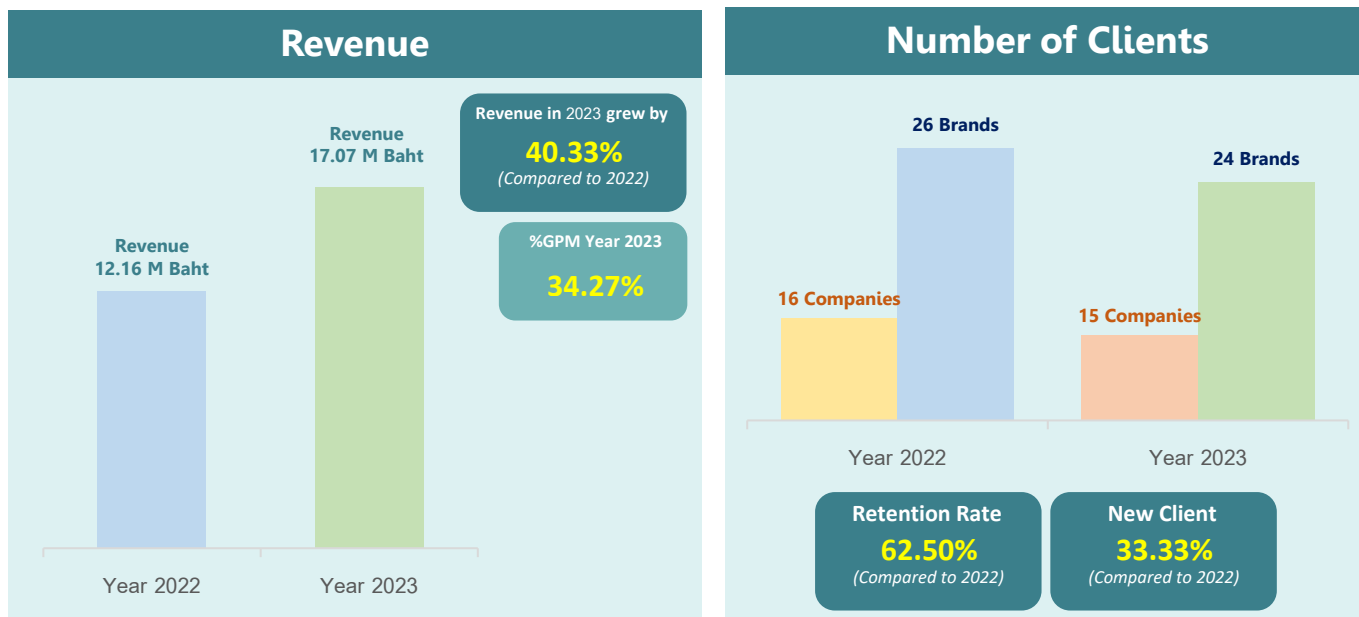
In 2023, the company's revenue surged THB 37.92 million (29.87%) to reach THB 164.87 million, compared to THB 126.94 million in 2022. The company's customer base also expanded significantly, serving 92 companies and 104 brands in 2023, representing an increase of 45 companies and 47 brands from 2022's figures (47 companies and 57 brands). Notably, 72.34% of this growth came from existing customers who remained engaged with the company, while the remaining 27.66% were new customers.

Revenue breakdown from Marketing Events and Digital Services by category area as follows:

- **Booth & Roadshow** : THB 60.93 million (main source of revenue, increased by 24.76%)
- **Outsourcing Coordination** : THB 54.26 million (significant increase of 119.74%)
- **Digital** : THB 3.59 million (growth of 62.37%)
- **Events**: THB 46.09 million (decreased by 10%)

Despite the decrease in event revenue, the Company is aiming for a 20.83% overall growth in this sector for 2024.

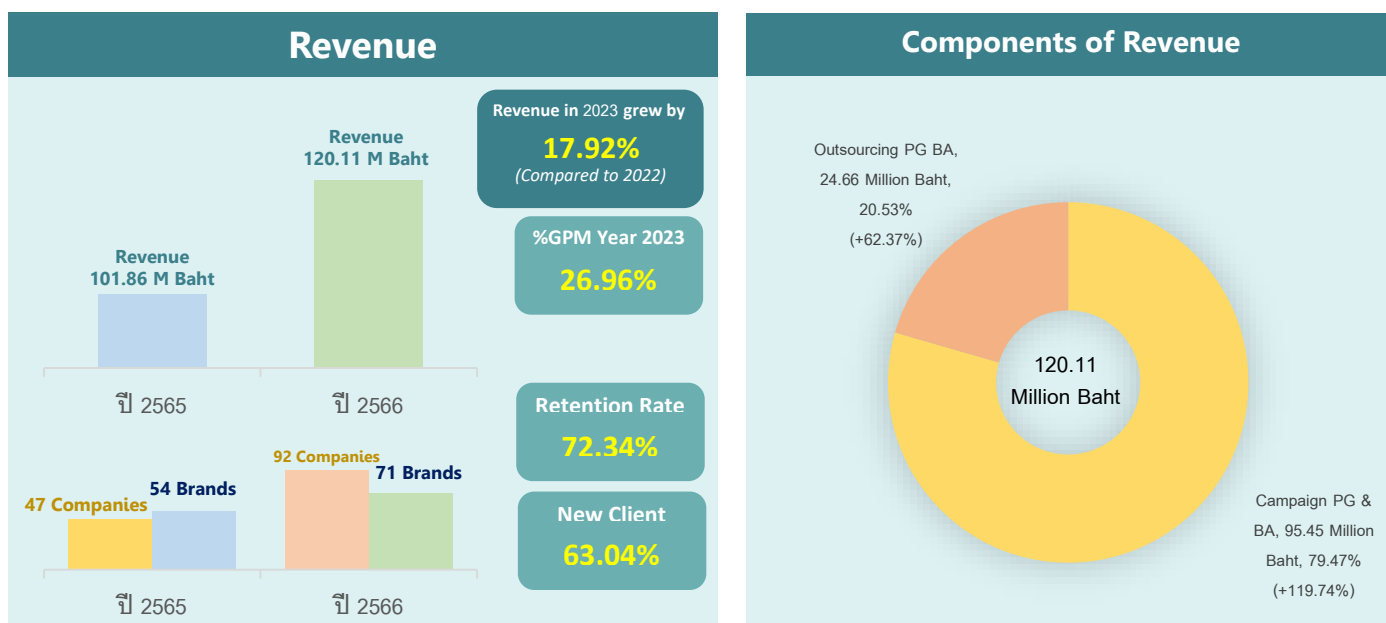
Revenue from Packing and Logistics



In 2023, revenue from Packaging and Logistics Services rose by THB 4.90 million (40.33%) to THB 17.07 million, compared to THB 12.16 million in 2022. While the Company's customer base saw a slight decrease, serving 15 companies and 24 brands compared to 16 companies and 26 brands in 2022, it secured new customers representing 33.33% of the total. Notably, 62.50% of existing customers continued their engagement with the Company.

The Company's comprehensive Packaging and Logistics Services, encompassing packaging, delivery, setup, dismantling, and product labeling through an application system, drove a 40.33% revenue increase to THB 17.07 million in 2023. This growth is expected to continue, with a projected 40% increase in 2024 due to the service's synergy with the company's broader offerings.

Revenue from Product Consultant



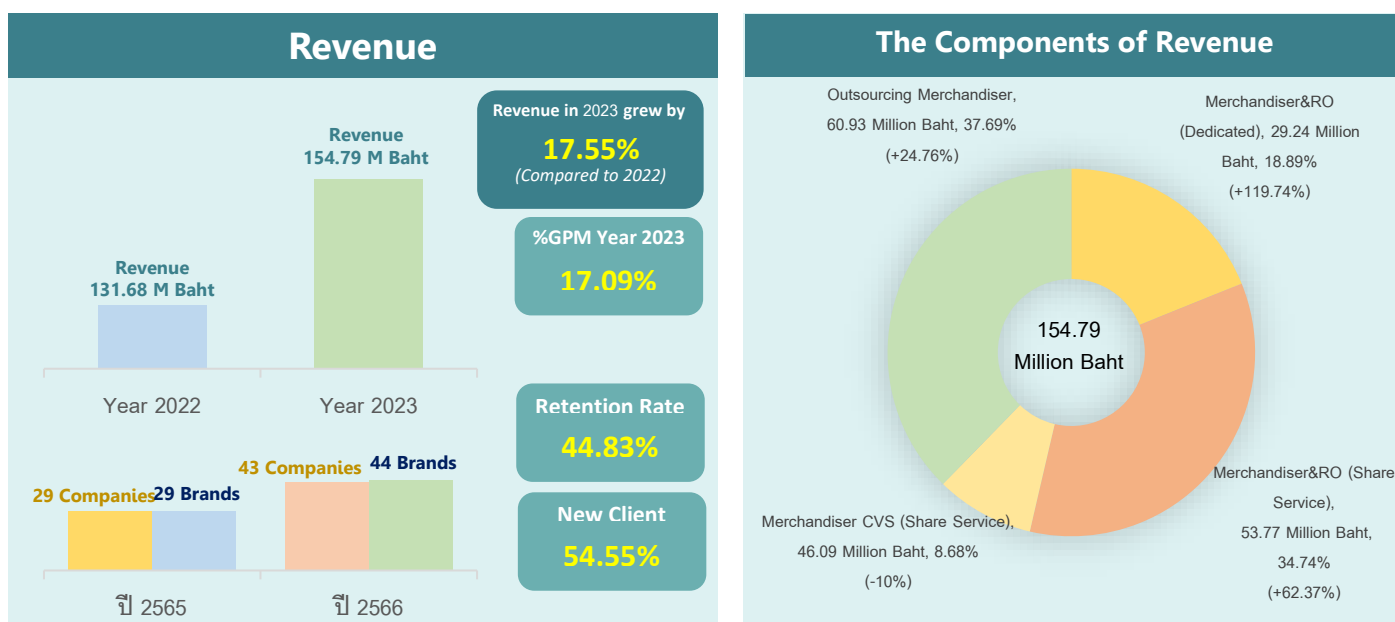
In 2023, the Company's revenue surged THB 18.25 million (17.92%) to reach THB 120.11 million, compared to THB 101.86 million in 2022. The Company's customer base also expanded significantly, serving 55 companies and 71 brands in 2023, representing an increase of 8 companies and 17 brands from 2022's figures (47 companies and 54 brands). Notably, 69.77% of this growth came from new customers, while 53.19% were existing customers who remained engaged with the Company.

Product Consultant Services revenue grew by 15.74% to THB 119.11 million in 2023, driven by:

- Campaign PG & BA Management : THB 95.45 million (6.06% increase)
- Outsourcing PG and BA: THB 24.66 million (significant 97.68% increase)

This expansion involved managing sales promoter staff as permanent employees under long-term contracts. The Company aims for a 17.91% revenue growth target in this sector for 2024.

Revenue from Merchandiser



In 2023, revenue from Product Merchandising Services surged THB 23.11 million (17.55%) to reach THB 154.79 million, compared to THB 131.68 million in 2022. The Company's customer base also expanded significantly, serving 43 companies and 44 brands in 2023, representing a growth of 14 companies and 15 brands from 2022's figures (29 companies and 29 brands). Notably, over half (54.55%) of this growth came from new customers, while 44.83% were existing customers who remained engaged with the Company.

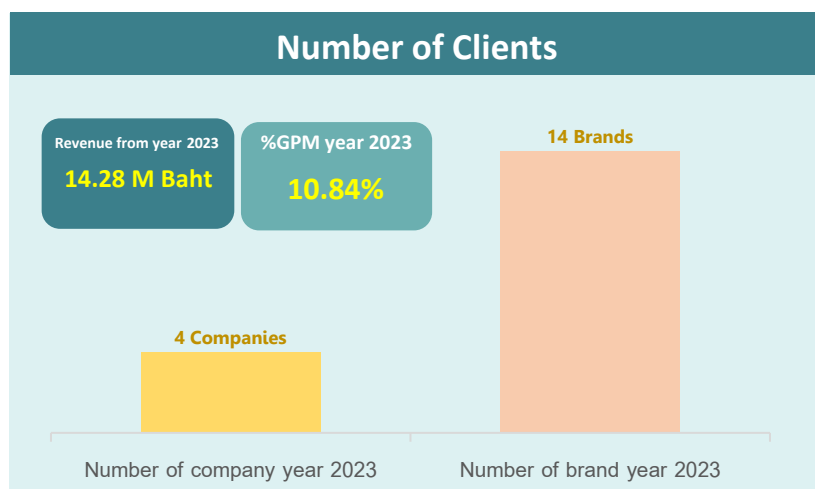
In 2023, the Company's Product Merchandising Services revenue surged by THB 23.11 million (17.55%) to reach THB 154.79 million, compared to THB 131.68 million in 2022. This growth was driven by strategic expansion and adaptation to market conditions:

- **Expansion of Merchandiser CVS (Shared Service) in convenience stores:** Launched in Q1 2023, this initiative generated THB 13.43 million and aimed to provide cost-effective service across all channels.
- **Increased demand for Merchandiser Shared Service in existing channels:** Revenue from this service grew significantly by 145.54% to THB 53.77 million in modern trade, wholesale, and retail stores. However, the Company experienced declines in other service categories:
 - **Merchandiser & RO (Dedicated) :** Revenue decreased by 36.30% to THB 29.24 million.
 - **Outsource Merchandiser :** Revenue decreased by 8.67% to THB 58.34 million.

Building on its 2023 success, the Company aims for a 42.33% revenue increase in Product Merchandising Services in 2024. This ambitious goal is driven by the company's strategic expansion:

- **Increased service capacity:** The Company has successfully secured continuous contracts throughout 2024, requiring the management of over 300 employees. This expansion allows the Company to accommodate increased service demand and manage larger operations.
- **Enhanced market competitiveness:** In October 2023, the Company commenced operations as part of its ongoing strategic initiatives to strengthen its market position.

Revenue from Sales and Distribution (SDS)



In 2023, the Company launched the new Product Distribution service, generating THB 14.28 million in revenue. Launched in Q3 2023 (July), this service has already served 4 companies across 14 brands through wholesalers and retailers (General Trade/Traditional Trade) nationwide.

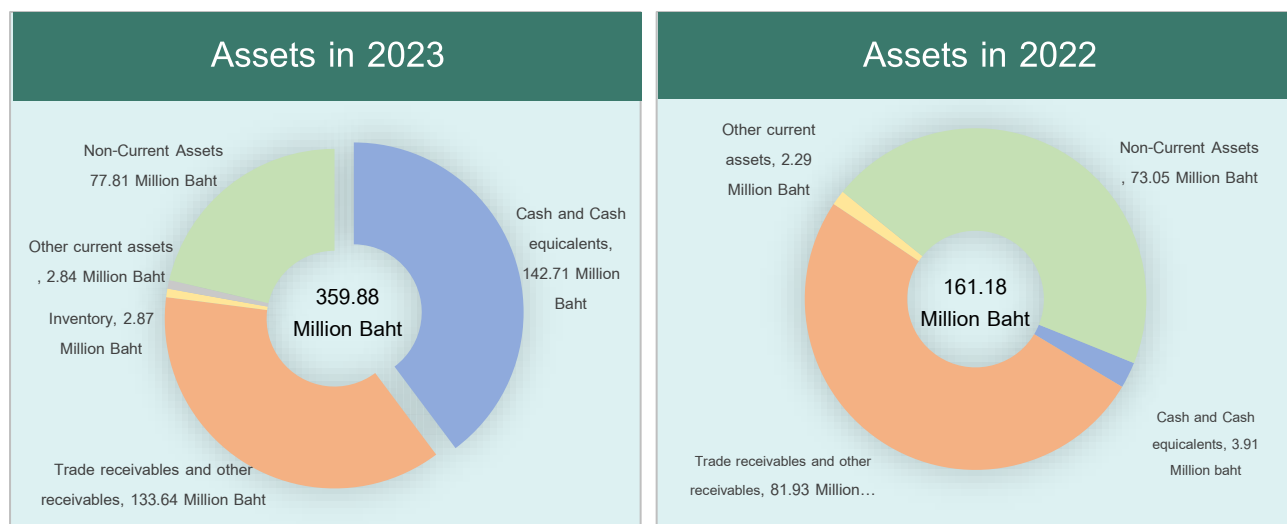
The Company aims to achieve a 247.18% revenue growth from Product Distribution in 2024 by expanding its customer base and distribution channels. This expansion includes targeting modern trade outlets (hypermarkets, supermarkets) and convenience stores to meet market demands and reach consumers efficiently. By doing so, the company aims to achieve significant sales growth and cater to product owners seeking distributors with expertise in sales and marketing.

Financial Strengths

Description	Year 2022	Year 2023	Variance	
	Million Baht	Million Baht	Million Baht	Percentage %
Current assets	88.13	282.07	193.94	220.06
Non-current assets	73.05	77.81	4.76	6.52
Total assets	161.18	359.88	198.70	123.28
Current liabilities	47.46	54.71	7.25	15.28
Non-current liabilities	15.35	7.31	-8.04	-52.38
Total liabilities	62.81	62.02	-0.79	-1.26
Total shareholders' equity	98.37	297.86	199.49	202.80

On December 31, 2023, the Company's financial health improved significantly, as reflected in its current ratio. This key metric increased to a healthy 5.15 times, compared to 1.97 times in the previous year. This positive change is attributed to a rise in cash flow and accounts receivable, indicating the Company's enhanced ability to meet its short-term financial obligations.

The Company's financial health improved significantly at the end of 2023, reflected in its key financial ratios. The return on equity (ROE) stands at 8.61%, while the debt-to-equity ratio has decreased to a healthy 0.21, down from 0.64 in the previous year. This positive change is attributed to the Company's successful debt reduction and improved profitability.



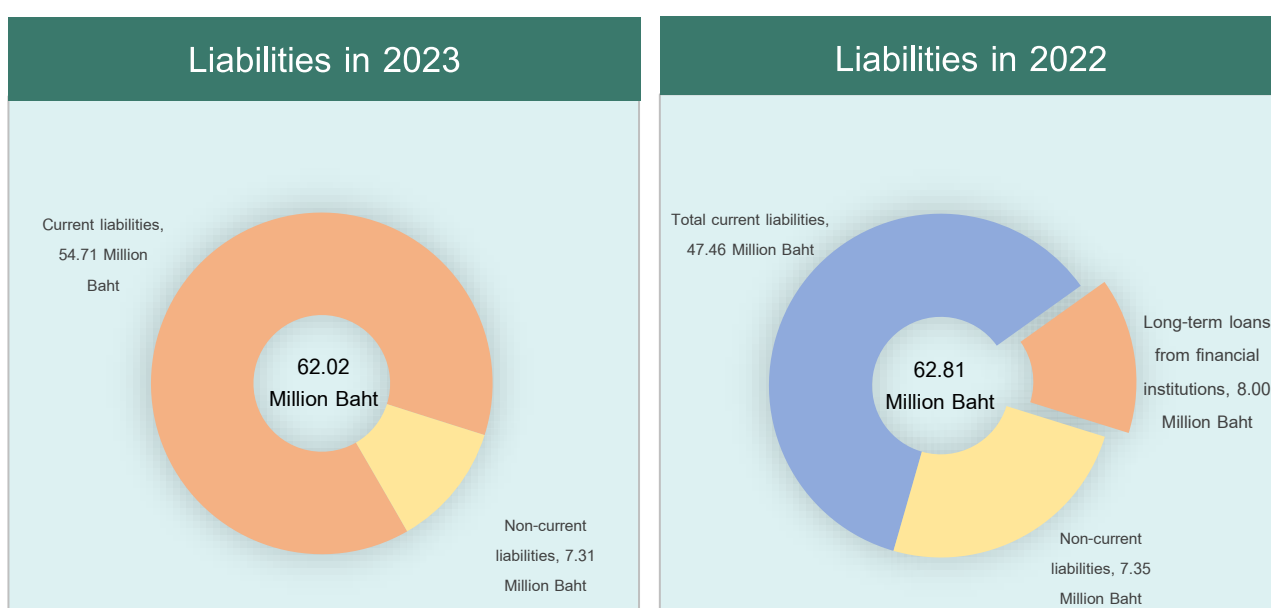
The company's total assets in 2023 amounted to THB 359.88 million, an increase of 123.28 percent compared to 2022. The significant assets that increased during this period include:

1. The increase in current assets is primarily due to two factors:

Increased cash and cash equivalents: This increase of THB 138.71 million is mainly attributed to the capital raised through the company's issuance and offering of shares to external parties.

- **Increased operating income:** This indicates improved profitability, contributing to the company's financial health.
2. Trade receivables increased by THB 51.71 million, reflecting the Company's growing workload and contributing to the rise in current assets. To manage this increase effectively, the Company:
- Sets credit limits for customers based on their financial health.
 - Regularly reviews customer financials to maintain creditworthiness.

Despite the increase, the Company maintains a healthy average collection period of 83 days and has not required provisions for doubtful debts.



Liabilities:

The Company's total liabilities in 2023 decreased by 1.26% to THB 62.02 million compared to 2022. This positive development is primarily due to the absence of new borrowing obligations from financial institutions, resulting in a decrease in long-term liabilities.

Shareholders' Equity:

The Company's shareholders' equity significantly increased by 202.80% in 2023, reaching THB 297.86 million compared to THB 98.37 million in 2022. This growth is primarily attributed to:

- Issuance and offering of shares to external parties.
- Changes in the stock's value.
- Accumulated profit from operations.