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## Message from the Chairman of the Board of Directors and Chairman of the Executive Committee



**Mr. Vichai Assarasakorn**  
Chairman of the Board of Directors

**Mr. Somsak Amornrattanachaikul**  
Chairman of the Executive Committee



## Dear Shareholders and Stakeholders,

The year 2022 was a very important year for the Asian Alliance International Public Company Limited, or “AAI,” that has developed the business structure of the pet food and shelf-stable ready-to-eat food businesses and has been listed on the Stock Exchange of Thailand on November 1, 2022. The Company also achieved remarkable growth in both sales and net profit amidst the many risks facing the global economy, such as the war between Russia and Ukraine and China’s Zero-COVID policy even other countries’ COVID measures clearly eased, the interest rate hikes in major economies resulted in severe supply disruptions and accelerated inflation pressure.

The Company firmly believes that AAI’s success is driven by policies that focus on risk management, especially cost management, improving efficiency in all processes, and hedging against exchange rate fluctuations, while aligning the business with the changing world trends in the new way of life and sustainable business management by announcing the “Level up AAI!” strategic plan to enhance the organization for development and growth to keep up with business opportunities and be ready for adaptation under changing factors in order to lead the organization to achieve the Company’s vision, mission, and goals. The Company strives to enhance the organization in four areas:

- (1) Leveling up our organization, focusing on restructuring the organization and management structure to meet international standards, accelerating the staff’s development, including restructuring the business group, as well as developing a plan to expand wet pet food production capacity in Thailand by 40,000 tons by 2025 to support the growth plans of key customers of the Company and new customers,
- (2) Leveling up our co-developer position to be strategic partner, looking for opportunities to develop relationships both in the upstream and downstream business segments so that supply chain management is more continuous and efficient, as well as increasing business opportunities and strengthening the Company’s competitiveness in the long run.
- (3) Leveling up our own brands, strengthening the competitiveness in the pet food business, and maintaining the Company’s profit margins in the long run. In 2022, the Group launched its own pet food brands to cover all market segments and offer products including wet pet food, dry pet food, and sweets.
- (4) Leveling up cares through the CHEERS! strategy, emphasizing emission reduction measures and driving the UN Sustainable Development Goals (SDGs) under the concept that the Company will grow sustainably through responsible business practices in all business processes.

The Company sees the coming year 2023 as a challenging time in many areas, whether it is preparing to adapt to global trends, such as the emphasis on environmentally friendly economies or the transition to low-carbon societies, while the global economy shifts from recovery to slowdown, or even some economies will enter a recession from tight financial forecasts based on the continued interest rate hikes of central banks around the world to combat the increase in inflation and the fluctuation of the baht, which may affect business growth due to the main market of the AAI Group being a foreign market.

However, the AAI Group is adamant that the “Level Up AAI!” strategic plan is still the strategic plan that created by carefully considering all of the possible circumstances that could have an impact on the Company. It is also in line with the trends that customers and investors value even more.

On behalf of the Board of Directors, we would like to thank all stakeholders for their trust and support of the AAI Group. This makes AAI’s initial public offering (IPO) a great success. We would also like to thank all of the Company’s executives and employees for their cooperation in driving the Company’s growth. All levels of the Company’s personnel are committed to implementing the Company’s mission and operational plan under the principles of good corporate governance to ensure stable and sustainable growth.





## Company Profile

ASIAN Sea Corporation Public Company Limited, or ASIAN, established Asian Alliance International Company Limited, or AAI, on March 15, 2005, with paid-up capital of 200.00 million baht. It sees an opportunity to expand its business into the tuna processing business in order to expand its product to be more diversified and inclusive, as well as strengthening ASIAN as an integrated seafood producer.

AAI's early core business was the tuna processing business to produce ready-to-eat canned tuna products (Human Food). The residues from tuna processing, such as red meat, are used as raw materials in the production of wet pet food products. Since the rest of the raw materials are high-protein and cheap in comparison to other raw materials, they are suitable as the main source of protein in pet food.

During the first 2–3 years of business operation, the Company faced many obstacles in its business operations, both from the severe competition in the industry and from the highly volatile price of tuna raw materials. As a result, this led to the Company's performance losses and liquidity problems. In 2008, the Company increased its registered capital from 200.00 million baht to 1,200.00 million baht to be used as working capital in business operations.

In 2011, the Company saw an opportunity to grow its premium pet food business from the trend of the world's population toward an elderly society and the trend of popularity in raising pets as friends or more like family members (pet humanization). Therefore, the Company changed its strategy by adapting to the premium pet food business and developed products to use a variety of main raw materials, for instance, white meat of tuna, chicken, sardines, mackerel, beef, and lamb, to increase the variety and taste of the product and focus on the continuous development of pet food products in terms of raw materials and production recipes to be accepted by customers.

In 2014, the Company collaborated with one of its major customers to develop premium pet food products using reformed meat, which has a texture similar to that of real meat products at a lower cost and better quality than the reformed meat of other manufacturers available at the time. The product was well received by consumers, so the Company continuously received orders for premium pet food products made from reformed meat. The Company's turnover in the pet food business began to grow significantly. In 2015, the Company increased its registered capital from 1,200 million baht to 1,700 million baht for use in loan repayment, investment, and as working capital for business operations in order to support the growth of the pet food business and expand the production capacity for pet food products to meet the increasing demands of our customers. There was the construction of an auto warehouse, which can store more than 15,000 pallets worth about 280 million baht, to increase the efficiency of managing its inventory, reduce the risk that the product may be lost, and support the growth of the Company's product demand steadily. In addition, the warehouse also helps make the most of the space at the factory to support the expansion of the production line in the future.





In addition, the ASIAN Group established a strategic plan for the Group to “get closer to consumers” by focusing on direct marketing of pet food products to consumers. The ASIAN Group established subsidiaries, associates, and joint ventures to carry out product brand development, marketing, and distribution under its own product brand, namely:

1. Asian Pet Care Corporation Company Limited (APCC) is a 100% owned subsidiary of the Company for the business of product brand development, marketing, and distribution of products under its own brand and investment in shares or related businesses.
2. Inter Petrina Company Limited (IPN), by APCC, entered into a joint venture agreement with Inter Pharma Public Company Limited to establish a joint venture in which the Company holds 40% of the shares to market and distribute pet food products branded “Maria” for domestic distribution and export to Cambodia, Laos, Malaysia, and Vietnam (CLMVT).
3. Asian Group SCS Europe GmbH (AGE), by APCC, entered into a joint venture agreement with Dormeo Handels GmbH, a pet food manufacturer in Germany, to establish a joint venture in which the Company holds 60% of the shares in order to broker the acquisition of pet food brand owners in the European region for the Company.
4. Thaiya Corporation (Shanghai) Company Limited (Thaiya) is a wholly owned subsidiary of Thaiya in China that distributes products under the Group’s product brand in China.
5. Shandong Thaiya Meisi Pet Food Company Limited (MEISI), owned by APCC and Thaiya, has invested in China’s dry pet food manufacturing factory by entering into a joint venture agreement with Shandong Meisi Pet Food Company Limited as a base for the production of dry pet food in China. APCC and Thaiya hold 41.00% and 10.00% of the shares of MEISI, respectively.

In 2021, the Company and the ASIAN Group restructured the shareholding of the pet food business group under ASIAN to make the business structure of the Company and the ASIAN Group clearer by bringing all pet food companies, which originally held shares directly and indirectly by ASIAN, under the management of the Company, consisting of (1) APCC; (2) Thaiya; (3) AGE; (4) IPN; and (5) MEISI.

In terms of product development and distribution under its own brand, the Company launched the pet food brand “Monchou,” a premium pet food brand for dogs and cats, in 2019. Currently, it is marketed and distributed domestically and internationally, such as in China and the United Arab Emirates. All sales in China will be made through Thaiya.

In 2020, APCC launched the pet food product branded “Hajiko,” a low-priced dry pet food product for dogs, to penetrate the mass market. Currently, the Hajiko brand is only available in Thailand.

In 2021, APCC launched the pet food product branded “Monchou Balanced,” a pet food product for dogs and cats, to penetrate the mass market, and started selling the “Pro” brand, a dry pet food product for dogs and cats, to penetrate the market, where the price is mainly low-end market. At present, two brands of pet food products have been launched in Thailand.

Nowadays, the Company has been converted into a public company on March 10, 2022, has changed its name to Asian Alliance International Public Company Limited, increased its registered capital to 2,125 million baht, and was listed on the Stock Exchange of Thailand on November 1, 2022 under the symbol “AAI.”



**Financial Highlights****Consolidated Financial Statements**

Statement of Comprehensive Income (THB million)	2021	2022
Sales and Services Revenue	4,985	7,124
Gross Profit	1,054	1,414
Profit before taxes	716	985
Profit for the year	639	859
Statement of Financial Position (THB million)	2021	2022
Total Assets	3,606	6,080
Total Liabilities	1,230	1,046
Total Shareholders' Equity	2,376	5,033
Issued and Paid-up Share Capital	1,700	2,125
Key Financial Ratios	2021	2022
Current Ratios (time)	2.0	7.1
Debt to Equity Ratio (time)	0.5	0.2
Net Debt to Equity Ratio	0.2	-0.3
Gross profit margin (%)	21.1	19.9
Net profit margin (%)	12.8	12.1
Performance per share* (baht per share)	2021	2022
Earnings per share	0.38	0.48
Book value per share	1.40	2.34

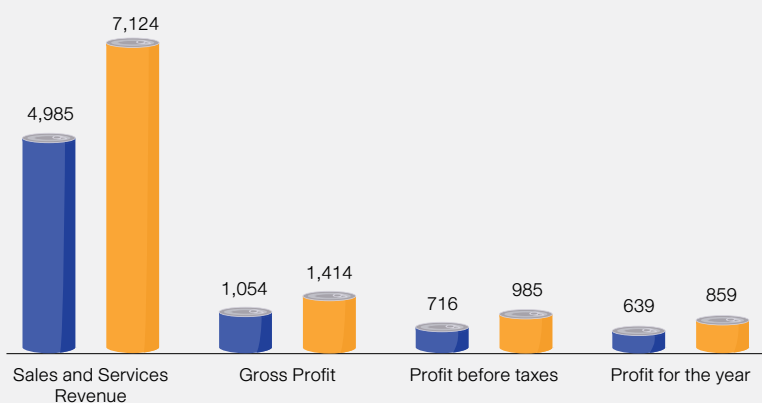
\*Remark: Performance per share in 2021 calculate base on 1,700.00 million shares and performance per share in 2022 calculated base on 1,776.85 million shares which are weighted average number of ordinary shares for the year 2022 and the book value per share for the year 2022 is calculated from the number of shares of 2,125.00 million baht, which is the number of shares at the end of the year.



## Statement of Comprehensive Income

(THB million)

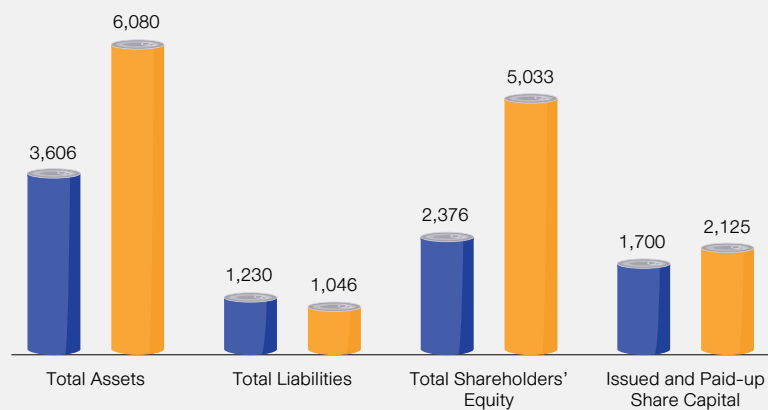
● 2021  
● 2022



## Statement of Financial Position

(THB million)

● 2021  
● 2022



## Key Financial Ratios

Current Ratios (time)

7.1



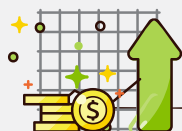
Net debt to Equity Ratio

(- 0.3)



Net profit Margin (%)

12.1



Debt to Equity Ratio (time)

0.2



Gross profit Margin (%)

19.9



## Performance per share (baht per share)

Earnings per share

0.48



Book value per share

2.34







## Key Performance in 2022

### Business Performance

In March 2022, the Company completed the conversion of the Company into a public company according to the resolution of the Annual General Meeting of Shareholders for the year 2022 on March 4, 2022. The Company also increased its registered capital by 425 million baht to 425 million shares at a par value of 1 baht per share in order to prepare the initial public offering.

In July 2022, the Company expanded its production capacity of wet pet food in pouch packaging to 6,000 tons of finished goods per year, resulting in an increase in production capacity from approximately 36,000 tons of finished goods per year to approximately 42,000 tons of finished goods per year. The Company also expanded its production capacity of wet pet food products, including canned packaging, pouch bags, and plastic cups, to an additional 7,500 tons of finished goods per year. The expansion of production capacity is expected to be completed in January 2023 and will increase the Company's production capacity of wet pet food to 49,500 tons of finished goods per year.

In October 2022, the Company issued and offered new ordinary shares to the general public for the first time (IPO) and listed the Company on the Stock Exchange of Thailand on November 1, 2022.

### Brand Development Performance

For the entire year 2022, APCC adhered to a proactive marketing strategy and invited well-known idols to serve as presenters in order to increase brand awareness. In May, the Company introduced two presenters of the brand "Monchou": Krit Amnuaydechkorn and Putthipong Assaratanakul, or "PP & Billkin" and introduced the "Hajiko" brand's presenter in July, Pimchanok Luevisadpaibul, or Bai Fern." All three presenters are famous idols who can create brand recognition and drive sales to grow exponentially according to the target.

Moreover, in April, the Company launched a new brand of pet food products for dogs and cats under the brand "Pro" to market in the low-end market. This makes the Company have pet food products under its own brand, covering all market segments. The product formula and packaging of the pet food brand "Hajiko," the Company's dog food brand for the mass market, were adjusted to create strengths over competitors and stimulate the market to grow more.



The continuous revision of marketing strategy, product improvement, and new product design, as well as the acceleration of the expansion of distribution channels, resulted in the end of 2022 with more than 600 pet stores selling products under the brands Monchou, Monchou Balanced, and Hajiko by the end of 2022. As a result, APCC's sales grew by more than 87% compared to 2021.



## Implementation of the Sustainability Strategic Plan

In 2022, the Company is committed to implementing its sustainability strategy with major developments, including

1. Reviewing short-term and long-term sustainability goals,
2. Being certified as Green Industry Level 3: Green Activity by the Department of Industrial Works, Ministry of Industry. This means activities to reduce environmental impact that have been successfully carried out according to the set commitment.
3. Certified a carbon footprint for wet pet food products under the Monchou brand by completing three items as follows:

	TGO CFP FY23-007-0025 ปลาทูน่าและปลาทูน่าในออลซีสำหรับลูกแมว บรรจุถุง 80 กรัม ตราแดง บริษัท เจริญชัย อีโวลูชั่นส์ อินเทอร์เน็ตเซ็นเตอร์ จำกัด (มหาชน) กรุงเทพมหานคร	ปริมาณ CF 191 gCO <sub>2</sub> e	
	TGO CFP FY23-007-0024 ปลาทูน่าในออลซีสำหรับลูกแมว บรรจุถุง 80 กรัม ตราแดง บริษัท เจริญชัย อีโวลูชั่นส์ อินเทอร์เน็ตเซ็นเตอร์ จำกัด (มหาชน) กรุงเทพมหานคร	ปริมาณ CF 225 gCO <sub>2</sub> e	
	TGO CFP FY23-007-0023 ปลาทูน่าในออลซี บรรจุถุง 80 กรัม ตราแดง บริษัท เจริญชัย อีโวลูชั่นส์ อินเทอร์เน็ตเซ็นเตอร์ จำกัด (มหาชน) กรุงเทพมหานคร	ปริมาณ CF 212 gCO <sub>2</sub> e	

(<http://thaicarbonlabel.tgo.or.th/index.php?lang=TH&mod=Y0hKdPlVmpkSE5mWVhCd2NtOTJZV3c9&status=provinceby&keyword=%E0%B8%AA%E0%B8%A1%E0%B8%B8%E0%B8%97%E0%B8%A3%E0%B8%AA%E0%B8%B2%E0%B8%84%E0%B8%A3>)

4. Declared the intent to become a member of the Thai Private Sector Collective Action Against Corruption, aiming to be certified as a member by 2023.

In addition, the Corporate Governance and Sustainability Management Committee and the Board of Directors have monitored the normal operations that are important to the sustainability of the organization, including quality and food safety standards control, product research and development, human resource and human rights management, risk management, and performance improvement throughout the organization, as reported in the Sustainability Report Section of this report.



### Achievement Awards in 2022

For the year 2022, Asian Alliance International Public Company Limited had received 2 Certificates which are;

1. Certificate for Outstanding Factory of the Country in Welfare and Labor Relation for the first year from The Ministry of Labor of Thailand.
2. Certificate for Qualified/Blue factory in Factory Sandbox Project (Audit, maintain, control, and supervise) from The Office of the Board of Investment, Social Security Office, Ministry of Labor of Thailand.

# 1

## Business Operations and Performance





## 1. Structure and Business Operation of AAI

### 1.1 Business Policy and Overview

Asian Alliance International Public Company Limited (the “Company” or “AAI”) and its subsidiaries (the “AAI Group”) is Thailand’s major original equipment manufacturers of pet food and shelf-stable human food, focusing on the production and distribution of quality products and safety standards throughout the business for more than 15 years – earning it international recognition by customers, product brand owners, and consumers – and emphasizing the continuous development of the organization so that it can grow sustainably.

The company was established in 2005 and is wholly owned by Asian Sea Corporation Public Company Limited (“ASIAN”), which is in the frozen seafood business. ASIAN envisaged an opportunity to expand its business into the tuna processing business in order to expand its products to be more diversified and comprehensive, as well as strengthening ASIAN as a one-stop seafood manufacturer. In the beginning, the company was primarily engaged in the tuna processing business, which produces ready-to-eat food products in sealed containers, and the residues from the tuna processing, such as red meat, are used as raw materials for the production of wet pet food products. Later, in 2011, the company foresaw the opportunity to grow the pet food business from the trend of the world’s population into an elderly society and the popularity of petting as a friend or more like a family member (Pet Humanization). Consequently, the company has adjusted its strategy to enter the premium pet food business by developing products that use a variety of key raw materials, including improving the appearance of pet food to make it more appetizing. It has also increased the production line to produce products with diverse and beautiful packaging according to the popularity and development of the market. As a result, the revenue from the sale of pet food products continues to grow and now represents more than 80% of the total sales revenue today.

The company’s pet food products cover both wet and dry pet food, which are nutritious for both dogs and cats of all sizes and ages. The company’s wet pet food products are premium pet food ones made from the same quality raw materials used to produce food for people (Human Grade), including tuna meat, chicken meat, sardines, mackerel, beef, lamb, vegetables, and reformed meat. The product forms and production formulas are varied, such as in gravy, in the form of jelly, soup, and mousse, as well as packaging forms that cover canning, vacuum packaging (Pouch), and plastic cups.

The company’s shelf-stable human food is a product that uses tuna as the main raw material, such as tuna in oil, tuna in brine, tuna in vegetable juice, fried rice, and tuna in Thai curry paste. They are available in canned goods, airtight bags, and plastic cups.

Currently, original equipment manufacturer (OEM) business under clients’ brands generates the majority of revenue from pet food and human food sales. In addition, almost all of the company’s sales revenue comes from the export of products to foreign countries. The main export countries for pet food products are the United States, European countries, and Japan, and the main export countries for ready-to-eat food products are Japan, Israel, and Middle East countries, for example, Saudi Arabia and Syria.

In addition to being the original equipment manufacturer (OEM) under the customer’s product brand, the Group has started to develop its own product brand for pet food products for dogs and cats since 2019. Currently, the Company has a diverse portfolio of brands that span all market categories, including (1) pet food products aimed for the high-end market, notably “monchou” and Maria. (2) Pet food brands aimed for the mainstream market, such as “monchou balanced” and “Hajiko,” and (3) Pet food brands aimed at the low-end market, such as “Pro.” Moreover, the company also has joint ventures that develop wet pet food products branded Maria.

The company has two manufacturing plants: (1) Samut Sakhon Plant located at Muang District, Samut Sakhon Province, which is used as a base for wet pet food products, human food products, and by-products; and (2) MEISI Plant operated by Shandong Thaiya Meisi Pet Food Co., Ltd (“MEISI”), a joint venture in the Group, located in Shandong Province, China, which is used as a base for dry pet food products in China.





### 1.1.1 Vision, Mission, AAI's values, Goals and Strategies

#### Vision

To be a food and pet food manufacturer worldwide with quality, safety, social responsibility and environmental sustainability.

#### Mission

- 1) To deliver good and returns to stakeholders and maintain a good relationship with business partners for mutual sustainable growth.
- 2) To be an organization that is good to society and environment, and has a healthy, happy workforce.
- 3) To produce foods at the international standards and at competitive prices.
- 4) To innovate products in order to satisfy customer demand and manufacturing processes in order to maximize work efficiency.
- 5) To improve skills and knowledge of work forces and foster positive attitude to the organization.
- 6) To provide sufficiently modern information technology for communication and management.
- 7) To operate business in compliance with applicable laws, good labor standards, and anti-corruption practices.
- 8) To adopt corporate social responsibility and environment sustainability policies.

#### AAI Values:

The company relies on the concept of "AAI's," which consists of four values:

- A** Ambition      Commitment to development.
- A** Adaptable      Readiness to adapt to the times.
- I** Integrity      Paying attention to morality.
- S** Skill      Applied.

#### Goals

The company strives to be a manufacturer of pet food and human food that are trusted by customers in terms of quality, safety, environmental and social responsibility, as well as focusing on improving production processes by using efficient technologies, using natural resources to maximize benefits, developing personnel, and giving employees pride in the organization, including enhancing the capability to maintain stable and sustainable profits. Accordingly, the company has developed a business plan to drive it to achieve its goals as follows:

**Pet Food Business:** The company is an original equipment manufacturers that covers both wet and dry pet foods. There is a continuous investment for long-term sustainable growth and to increase competitiveness by developing product research and development, having innovations in the products to offer a variety of products to be suitable, being strategic partners understanding the needs of partners and making partners trust to grow together. The company also sets a goal to develop pet food products for dogs and cats under its own product brand to have a variety of products, both wet and dry pet foods, covering the needs of customers in all market segments for distribution both domestically and internationally.

**Shelf-stable Human Food Business:** The company is an original equipment manufacturers of shelf-stable human food in cans, pouch, and plastic cups, both products using tuna as the main raw material and other products with a focus on improving quality and competitiveness in order to maintain good and satisfactory performance.

## Strategies and Guidelines for Business Operations

The company announced a strategic plan “Level up AAI!” to enhance the organization to develop and grow to keep up with business opportunities and to be ready for adaptation under changing factors in order to lead the organization to achieve the vision, mission, and goals of the company. The company strives to enhance the organization in the following areas:

### 1) Level up our organization

To support future business opportunities and growth, the company focuses on restructuring the organization and management structure to meet international standards, accelerating the staff development, and restructuring the pet food business group to support growth and business opportunities. The company has established a joint venture in Germany, which is Asian Group SCS Europe GmbH (“AGE”), to be an agent in finding pet food brand owners for the company, especially customers in European countries. To expand the business into the production of pet food pellets in China, the company made a joint investment in MEISI to respond to the growth potential of the pet food market in China. It has also planned to expand the wet pet food production capacity in Thailand by about 40,000 tons to accommodate the growth of the company’s current customers and increase the opportunity for the company to find new customers. In this regard, the company expects to start investing in 2022 by the end of 2025 and gradually start commercial operations from the beginning of 2023.

### 2) Level up our co-developer position to strategic partners

In order to strengthen long-term competitiveness, the company has set a goal to enhance the status of the company according to the supply chain of the business apart from being a “co-developer” to become a “strategic partner.” In addition to focusing on product research and development as a co-developer to meet the needs of customers, the company also looks for opportunities to develop relationships with partners both in the upstream and downstream business groups so that supply chain management is more continuous and efficient and to increase business opportunities and strengthen the company’s long-term competitiveness so that the company and its partners can grow steadily together.

### 3) Level up our own brands to become a global brand

The company has a strategy to expand its pet food business into the consumer market to strengthen the competitiveness in the pet food business and maintain the profit margins of the company in the long run. The Group has developed their own pet food brands to cover the needs of customers in all market segments and to offer all types of products, including wet and dry pet foods as well as pet snacks.

The company continuously puts a focus on developing marketing and increasing distribution channels through marketing and public relations plans to create brand awareness and enhance the brand image of the products to a wide range of consumers, especially in the domestic market, along with increasing distribution channels by emphasizing an expansion of the market of pet stores and large modern trade. Furthermore, the company plans to export the products under the company’s brand to overseas distributors. At present, other than Thailand, the products under the company’s pet food brand are sold in China. The company has established Thaiya Corporation (Shanghai) Co., Ltd. (“THAIYA”) to be a channel for distribution of products under the company’s brand in China because the pet food market in China has the potential to continue to grow in the future. The company has also begun to export the products to other countries through distributors such as Indonesia, Malaysia, and Middle East countries.

### 4) Level up cares through CHEERS! Strategy

The company recognizes the importance of climate change issues and is confident in the guidelines for driving business for sustainability of the United Nations Global Sustainable Development Goals (SDGs) approach that will enable the company to achieve its sustainable business goals along with the growth of its personnel and the development of surrounding societies, as well as preserving valuable natural resources for the future. The company believes that implementing its CHEERS! strategic plan will be the key to the company achieving such objective. The CHEERS! strategy consists of key strategies that are important elements to the sustainable development and growth of the company under the concept that the company will grow sustainably through responsible actions in all business processes, including:



## C Consumers

operated with responsibility to consumers, including producing quality and safe for consumers, being worthwhile in terms of value compared to the value, traceable, and having constantly product research and development.

## H Human Development

operated with responsibility for the development of the organization's personnel, including having a personnel management policy aimed at developing personnel to enhance the ability of employees in the terms of academic management and work culture, providing compensation and welfare at a level comparable to the business in the same nature, establishing guidelines for considering performance and promotion together with communicating to employees, as well as creating a good working environment and maximum safety for life.

## E Efficiency

operated with responsibility for the efficient use of resources. The company focuses on increasing efficiency in the production process by using machines to replace labor, improving energy efficiency, reducing waste from the production process, and reusing.

## E Environment

operated with environmental responsibility. The company is aware of changing climate issues, severe natural disasters with damage to life, property, and natural resources. The company has established guidelines to help protect the environment, reduce energy consumption by using energy from renewable sources of clean energy, reduce the amount of water used in the production process, waste water treatment and water reuse, air pollution management, as well as waste and unused materials management according to the principles of Reduce, Reuse, Recycle and not causing problems to the environment.

## R Rights of Human

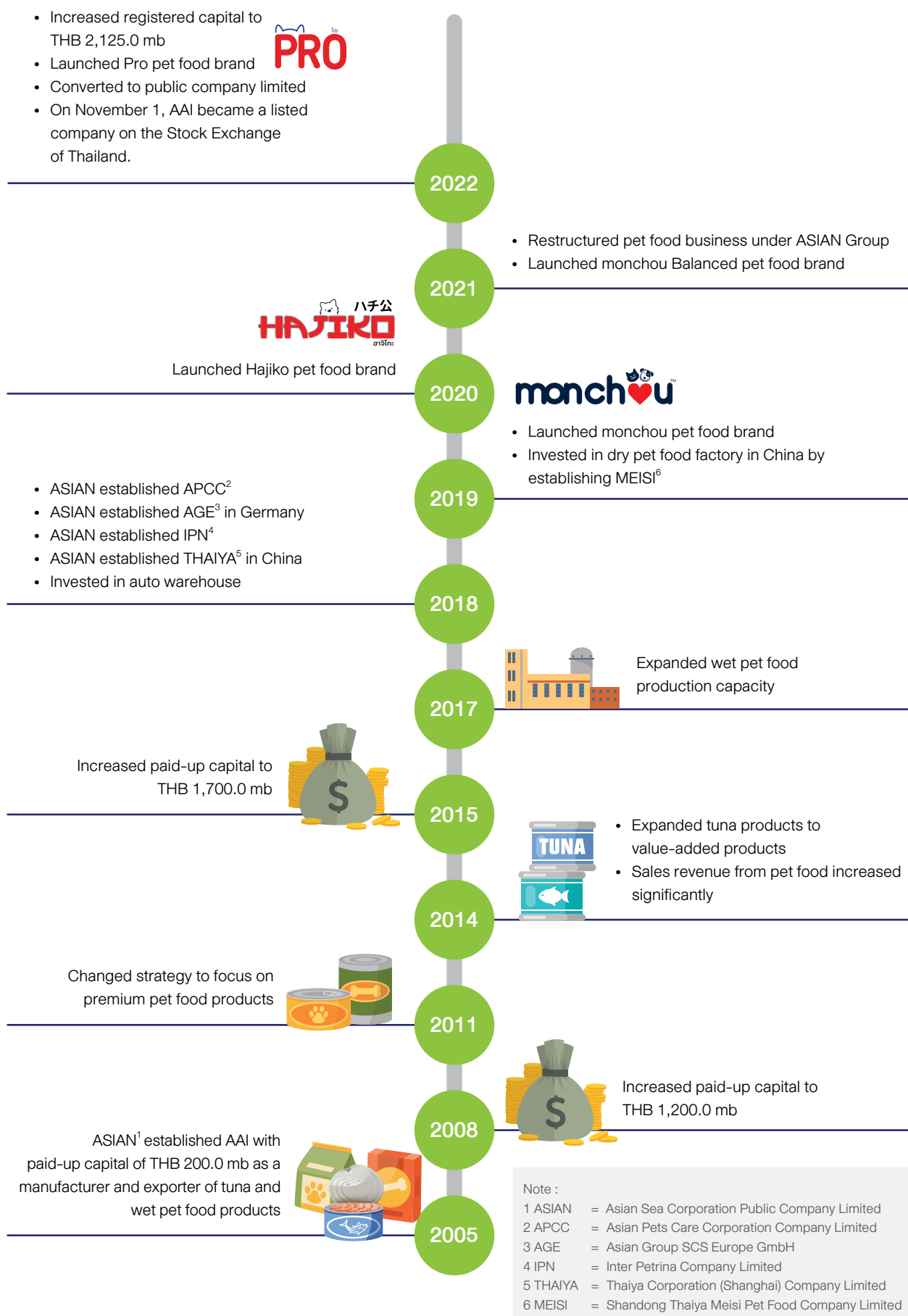
operated with responsibility for human rights. The company has a policy on respecting laws and human rights principles. It will treat all employees with equal respect for honor and dignity and issue a joint statement between government agencies and fishery operators in the policy of not illegal fishing, buying, importing, exporting, and selling aquatic products obtained from illegal fishing, using illegal labor and human trafficking. There is a policy against corruption and a channel for whistleblowing and complaints, as well as measures to protect complainants or those who provide information or clues in the investigation.

## S Stakeholders

operated with responsibility to all groups of stakeholders. The company operates under a good corporate governance policy, has risk management by assessing risks and formulating measures to reduce risks systematically, defines and communicates business ethics as a guideline for the organization to all groups of stakeholders, and expands the scope of supply chain management to help develop partners to grow together in the long run.



## 1.1.2 Milestone Development







### 1.1.3 Use of Proceeds

Regarding to Asian Alliance International Public Company Limited (the “Company”)’s initial public offering (IPO) during 17 - 21 October 2022 and 25 - 26 October 2022 of 425.00 million shares at the offering price of THB 5.55 per share, which the Company has received the net proceeds of THB 2,278.57 million (after deducting all related expenses in the offering)

The Company would like to report the utilization of capital increase from IPO as of 31 December 2022 as follows:

(Unit: THB million)

Use of Proceeds	Total Amount (Estimated)*	Actual proceeds spending until 31 December 2022	Remaining amount as of 31 December 2022
1. Investment in capacity expansion of wet pet food	600 - 700	113.12	586.88
2. Investment in the 2 <sup>nd</sup> Auto Warehouse	400 - 500	-	500.00
3. Repayment of short-term and long-term loans	700 - 800	800.00	0.00
4. Working capital	278.57 - 578.57	278.84	0.00
<b>Total</b>	<b>2,278.57</b>	<b>1,191.96</b>	<b>1,086.88</b>

\* Total Amount (Estimated) is the estimate use of fund according to the company latest business plan to allocate fund raised from the company's initial public offering (IPO). Then, the company's future plan, including actual spending, may different from what the company had estimated, so that the company may need to re-allocate fund usage. However, the company believe that such the case will not significantly impact the company's long term investment plan. The company will make sure that all processes will comply with relevant regulations of both SEC and SET.

However, in such a period that the company did not spend those yet, the company may use those in other transaction for Treasury management in the business as usual of the company such as saving those with the financial institution for proper interest rate. The company will not use those to invest in any risky financial assets.

### 1.1.4 Obligations pledged by the Company in the Offering Information Form

- None -

### 1.1.5 AAI's Information

**Name :**  
Asian Alliance International Public Company Limited

**Abbreviation :**  
AAI

**Registered Number :**  
0107565000093

 **Registered Capital :**  
**2,125,000,000.00** baht  
(two thousand one hundred and twenty-five million baht only)

 **Issued and Fully Paid-up :**  
**2,125,000,000.00** baht  
(two thousand one hundred and twenty-five million baht only)

**Head Office :**  
55/2 Moo 2 Rama 2 Road,  
Bangkrajao, Muang, Samutsakhon 74000

**Tel:**  
0 3482 2700-4

**Fax:**  
0 3482 2699

**Factory :**  
8/8 Moo 3 Rama 2 Road, Banbor,  
Muang, Samutsakhon 74000

**Tel:**  
0 3484 5575-91

**Fax:**  
0 3484 5546

**Website :**  
www.asianalliance.co.th

#### Business Type :

Conduct the business of original equipment manufacturers (OEM) and distribute pet food products, human food products that can be stored for a long time without refrigeration or freezing, and tuna by-products from tuna processing, such as fishmeal, fish steamed water, and fish oil.

#### Product Groups :

The Group's products and production capacity are divided into three main product groups:

- (1) Pet food products for dogs and cats, both products under the customer's trademark and products under the company's one, with a production capacity of approximately 42,000 tons/year.
- (2) Human food products, both tuna products in seasoned water and sauces, and ready-to-eat products under the customer's trademark, with a production capacity is equal to the finished product weight of approximately 17,500 tons/year.
- (3) By-product from tuna processing, such as fish meal, fish steamed water, and fish oil products, with a production capacity of 6,000 tons/year.

## 1.2 Nature of Business

### 1.2.1 Revenue Structure

(million baht)

Segment	2020		2021		2022	
	Domestic	Export	Domestic	Export	Domestic	Export
Pet Food	150	3,180	255	3,832	411	5,598
Human Food	121	982	13	837	38	986
By product	79	-	48	-	90	-
<b>Total</b>	<b>350</b>	<b>4,161</b>	<b>316</b>	<b>4,669</b>	<b>539</b>	<b>6,584</b>



## 1.2.2 Product Information

### (1) Product Characteristics

The products of AAI Group consist of 3 main product groups:

#### 1) Pet Food Products

##### 1.1) Wet pet food products

The company's wet pet food products for dogs and cats cover the completed pet food products and complementary pet food products. The company's wet pet food products come in a variety of forms, including gravy, jelly, soup, and mousse. They are packaged in cans, vacuum-sealed bags, and plastic cups of various sizes according to customers' requirements.

Most of the revenue from the company's wet pet food products comes from the original equipment manufacturer (OEM) under the customer's product brand, which is mainly customers who own pet food products internationally. In addition, the company also markets and distributes pet food products under the company's product brands, including monchou, monchou Balanced, and Maria, for both dogs and cats.



##### 1.2) Dry Pet Food Products

The company currently has a production and distribution plant for dry pet food products in China under the operation of MEISI, a joint venture in China that is an original equipment manufacturer (OEM) under the product brand of customers in China, as well as production of dry pet food under the company's brand monchou for distribution in China.

The dry pet food products that the company markets and distributes in Thailand under the company's pet food brand are monchou, monchou balanced, and Pro for both dogs and cats, and Hajiko for dogs which the company has hired a third party to produce them.

#### 2) Human Food

The company's human food products use Tuna Loin as the main raw material to cook and adjust according to the desired characteristics and add seasoning water ingredients, including brine, mineral water, oil, vegetable boiled water, and various types of seasoning sauces, such as tomato or mayonnaise sauce, according to each production recipe, for example, tuna in brine, mineral water, sunflower oil, chili oil, vegetable juice, and olive oil.

In addition to tuna products in seasoning water and seasoning sauces, the company also offers ready-to-eat food products, such as fried rice and tuna in Thai curry paste, in the form of canned, pouch, and plastic cup packaging in various sizes according to the needs of customers. This can be stored for a long time without refrigeration or freezing (shelf-stable food). All ready-to-eat food products in sealed containers of the Company are original equipment manufacturers (OEM) under the customer's brand.



#### 3) By-products

The company's by-products include fish steamed water and tuna meal products. Fish meal products are commonly used as an important raw material in the production of economic aquatic feed.

The company's fish meal products are certified by the IFFO (RS Global Standard for Responsible Supply of Marine Ingredients, Version 2.0), which is the standard for sustainable production of fishmeal products in accordance with the FAO's Code of Conduct for Responsible Fisheries. They can be used for the production of aquatic feeds and export aquaculture economies where food sourced from responsibly managed fisheries is required, traceable to the source of raw materials internationally, and not from illegal fishing.

## Important Licenses to Conduct Business

### 1. Samut Sakhon Factory

The company is licensed to conduct business by several regulatory agencies in Thailand. The details are as follows:

No.	License	Agency Issuing License	Date of Issue	Date of Expiration
<b>Factory 1: Wet Pet Food and Human Food</b>				
1.	Factory Operation Permit (Ror Ngor. 4)	Department of Industrial Works	7 Apr. 2006	No Expiration
2.	Production License for Specially Controlled Animal Feed (Bor.Phor.Sor.1)	Department of Livestock Development	6 May 2022	24 Feb. 2025
3.	Food Production License (Aor.2)	Food and Drug Administration	20 Apr. 2022	31 Dec. 2023
4.	Operation License for Heath Hazardous Business (Aor Kor.2) of Canned Fish, Frozen Fish, and Fish Meal Production	Ban Bo Subdistrict Administrative Organization Samut Sakhon Province	1 Apr. 2022	31 Mar. 2023
5.	License to Bring or Order Food into the Kingdom (Aor.7)	Food and Drug Administration	20 Apr. 2022	31 Dec. 2023
6.	License to Trade or Profit in the Form of an Intermediary in the Animal Carcass	Department of Livestock Development	30 Sep. 2021	2 Aug. 2023
<b>Factory 2: Wet Pet Food Production</b>				
7.	Factory Operation Permit (Ror Ngor. 4)	Department of Industrial Works	1 Jun. 2011	No Expiration
8.	Production License for Specially Controlled Animal Feed (Bor.Phor.Sor.1)	Department of Livestock Development	6 May 2022	24 Jul. 2024
9.	Operation License for Heath Hazardous Business (Aor Por.2) of Production of Finished Animal Feed	Ban Bo Subdistrict Administrative Organization Samut Sakhon Province	1 Apr. 2022	31 Mar. 2023
10.	License to Trade or Profit in the Form of an Intermediary in the Carcass	Department of Livestock Development	30 Sep. 2021	2 Aug. 2023
<b>Fish Meal Production Factory</b>				
11.	Factory Operation Permit (Ror Ngor. 4)	Department of Industrial Works	6 Jul. 2012	No Expiration
12.	Operation License for Heath Hazardous Business (Aor Kor.2) of Production of Finished Animal Feed (Fish Meal)	Ban Bo Subdistrict Administrative Organization Samut Sakhon Province	1 Apr. 2022	31 Mar. 2023

### 2. MEISI Factory

No.	License	Agency Issuing License	Date of Issue	Date of Expiration
1.	License for the Business of Manufacturing and Distributing Pet Food Products and Feed Additives and Distributing Pet Accessories	Shouguang Market Supervision Administration Bureau	6 Aug. 2019	No Expiration
2.	GS1 Membership License in China	GS1 China	19 Jul. 2022	19 Jul 2023
3.	Food Production License	Shandong Animal Husbandry and Veterinary Bureau	30 Apr. 2019	29 Apr. 2024



**Quality Standards and Certificates Received by the Company**

The Company aims to enhance and improve the quality of its products and sustainable working standards, including developing and improving production processes to meet international standards and the needs of both domestic and international customers. The international quality standards and certificates received by the Company from accredited institutions are as follows:

**1. Samut Sakhon Factory**

No.	Standard/Certificate	Month and Year of the First Certificate Given	Institution	Date of Expiration	Renewal
<b>General Standards and Certificates</b>					
1	Dolphin safe	November 2014	Eart Island Institute	February 2023	Every Year
2	BRC Global Standard for Food Safety Issue 8	November 2008	BSI Group	11 November 2023	Every Year
3	Sedex	February 2015	BSI Group	May 2023	Every Year
4	TLS 8001	April 2019	Department of Labor Protection and Welfare, Ministry of Labor	22 Jul 2023	Every Two Years
5	Green Industry	30 May 2022	Ministry of Industry	29 May 2025	Every Three Years
<b>Quality Standards and Certificates for Pet Food Products</b>					
6	Hazard Analysis and Critical Control Point (HACCP)	February 2010	Department of Livestock Development	2 August 2024	Every Three Years
7	Good Manufacturing Practice (GMP)	February 2010	Department of Livestock Development	2 August 2024	Every Three Years
8	CFIA	November 2011	Canadian Food Inspection Agency	No Expiration	-
<b>Quality Standards and Certificates for Tuna Products</b>					
9	Hazard Analysis and Critical Control Point (HACCP)	2006	Department of Fisheries	1 May 2023	Every Year
10	Good Manufacturing Practice (GMP)	2006	Department of Fisheries	1 May 2023	Every Year
11	Kosher	January 2015	K Meshulash / Triangle K INC	1 November 2023	Every Year
12	HALAL	August 2008	The Central Islamic Council of Thailand	13 August 2023	Every Year
<b>Quality Standards and Certificates for Fish Meal and Fish Oil Products</b>					
13	MarinTrust Standard for Responsible Supply of Marine Ingredients Version 2.0	July 2018	Global Trust Certification	1 May 2023	Every Three Years

## 2. MEISI Factory

Standard / Certificate	Description	Duration of Latest Certification
BRC Global Standard for Food Safety Issue 8	Certified for international food safety standard by the UK Retailers Association from SGS United Kingdom Ltd.	June 2022 – June 2023
ISO 9001:2015	Certified for quality management system for dry pet food products in the category of complete nutrition for dogs and cats by SGS United Kingdom Ltd.	June 2020 – June 2023
ISO 22000:2018	Certified for food safety management system in the category of complete nutritious dry pet food for dogs and cats by SGS United Kingdom Ltd.	June 2020 – June 2023
Hazard Analysis and Critical Control Point (HACCP)	Certified for hazard analysis and critical control point system for dry pet food products in the category of complete nutrition for dogs and cats by SGS-CSTC Standards Technical Services Co., Ltd.	June 2020 – June 2023
Good Manufacturing Practice (GMP)	Certified for good hygiene management in the establishment for dry pet food products in the category of complete nutrition by SGS Nederland B.V.	June 2020 – June 2023

### BOI Promotion Certificate

The BOI Promotion Certificate can be found in the notes to the financial statements, item 28.



**Business Innovation Development**

Product research and development is one of the key success factors for the company. In the past, the company used a co-development strategy to create products with customers in order to meet their needs on a continuous basis. Customers, who are the brand owners, own the production formula developed by the company together with customers. The company's Research and Development Department is in charge of applying for government agency certification for the domestic distribution production formula. In the case of pet food production formula, the Research and Development Department will apply for certification from the Department of Livestock Development. In the case of ready-to-eat food production formulas in sealed containers, the Research and Development Department will apply for certification from the Food and Drug Administration. For overseas distribution production formulas, the brand owner will apply for certification from government agencies in each country where products will be distributed. For the year 2020-2022, the company has researched and developed products in various areas. It can be summarized as follows:

Year	Important Research and Development					
2020	<b>Pet Food Products</b>					
	<ul style="list-style-type: none"> <li>Pet food products in the form of steamed meat packed in vacuum-sealed bags with a window to see the product inside.</li> <li>Fully nutritious pet food products for cats suffering from specific diseases, such as diabetes, kidney disease, obesity, and gastrointestinal diseases.</li> <li>The packaging in the form of a vacuum-sealed bag with a stopper cap that can be easily stored in case the pet does not eat all.</li> <li>Fully nutritious pet food products in the form of reformed meat, which is produced from the rest of the tuna processing.</li> </ul>					
	<b>Pet Food Products</b>					
	<ul style="list-style-type: none"> <li>2 layers of mousse snacks for dogs.</li> <li>Booster products for kittens, which can be used as a substitute for milk from the mother cat.</li> <li>Pet food products for cats in the rehabilitation phase, which are fortified with vitamins and minerals to enhance immunity to cats in the form of puree, packaged in vacuum-sealed bags with stopper caps, and are sold in hospitals and animal clinics.</li> <li>Pet food products for dogs developed to be similar to foods that people eat in various national food forms.</li> <li>Complete nutritious pet food for cats in the Pate form.</li> <li>Snack products for cats in a jelly form with new flavors packed in small vacuum-sealed bags.</li> </ul>					
2022	<b>Pet Food Products</b>					
	<ul style="list-style-type: none"> <li>Fully nutritious pet food products for kittens in the cream form packed in vacuum-sealed bags with a new type of stopper, colorful and even easier to open.</li> <li>Pet food products for cats, which contain natural ingredients, free from chemicals and food additives, packed in clear vacuum-sealed bags.</li> </ul>					

In addition to product development, the company also focuses on improving the production process through investment in automation technologies and machines to increase operational efficiency, reduce labor dependence, and help the company manage costs more efficiently. The company has departments responsible for improving production efficiency through the analysis of production processes, especially by adopting new methods, machines, or technologies to increase production efficiency. In the past, the company used machines to replace labor in many manufacturing processes, such as using robotic arm machines instead of manual labor in the packaging process and using automated warehouse systems for the storage of finished goods.

Year	Pet Food Business		Human Food Business		Pet Food Brands	
	New SKU	% Revenue	New SKU	% Revenue	New SKU	% Revenue
2020	234	7.3%	41	18.0%	30	51.0%
2021	253	12.0%	8	8.2%	28	37.0%
2022	203	8.8%	26	11.3%	72	81.5%

## (2) Marketing and Competition

### 1. Pet Food Industry

The world's pet food market continues to grow in popularity, primarily due to the growing demand for pets as a result of the population transition to Millennial<sup>1</sup> and Generation Z<sup>2</sup>, which are more animal-loving and more demanding than older populations, in addition to the urbanization and the growing population of middle-class people in developing countries. Changes in pet behavior and demographic changes have resulted in an increase in the number of pets and the demand for pet food. In addition to the increasing popularity of pet ownership, the need for pet food that is healthy for pets and convenient to feed to pets is another important factor contributing to the growth of the pet food market because of the lifestyle of people today who have a smaller family size or live as a couple without children. Therefore, it is popular to accept pets as human companions. As a result, pet owners are bound to their pets like the family members (Pet Humanization). For this reason, pet owners pay more attention to the health of their pets. There is a selection of food for pets that takes into account the quality, nutritional value, and health benefits of pets, including buying food that looks similar to the food they eat. Due to the fast-paced lifestyle of people today, pet owners are increasingly choosing products that are more convenient to feed their pets.

North America, especially the United States, still has the highest share of the pet food market, followed by Europe, with the United Kingdom, Germany, and France being major pet food markets, while Asia-Pacific has the third largest share of the pet food market in the world, but is expected to grow significantly due to the increase in pet populations, especially in China, India, Indonesia, Malaysia, and Vietnam.

In 2022, competition in the pet food industry for dogs and cats is mainly competitive in the international market because the company's key markets and those of other manufacturers in Thailand are all foreign customers. Thailand is considered one of the world's major exporters of pet food for dogs and cats, after Germany and the United States, and the export value growth rate is high. However, Thailand's export value growth is a result of Thailand's abundance in raw materials used in the production of pet food, which are produced in the agricultural and fishery industries, for example, flour, grains, and seafood. Thailand also has a lower wage cost advantage compared to major competitive countries, such as Germany, the United States, and France. In addition to their expertise in food production, some pet food manufacturers have expanded their operations or added production lines for the production of canned tuna products. It has resulted in the operators being able to enhance expand their expertise in both product research and development as well as labors that do not require much additional production skills. Moreover, Thailand also has a tax advantage from entering the Free Trade Agreement (FTA). Thailand is currently exempt from customs duties on all types of pet food exports from 15 countries, such as Malaysia, Australia, and Indonesia. Thailand is exempt from customs duties on the export of certain types of pet food products from three countries, namely Japan, South Korea, and India.

The pet food market continues to show strong growth in almost every region. The competition among brands is intense, as are the efforts of new entrepreneurs entering the pet food industry, both as pet food manufacturers in different segments and as designers of their own pet food brands. With respect to manufacturers, entrepreneurs with experience, large size, and potential still have the advantage and gain greater recognition. While pet food brands focus on gaining market share in a growing market, creating unique selling points, and capturing the market in which they have a significant advantage.

Pet food brands in Thailand are active and welcoming relaxation measures related to the spread of COVID-19 with new product launches, promotions, marketing activities, as well as advertising using popular artists or actors through both online and offline channels.

Note :

<sup>1</sup> Millennial (or Generation Y) is the population born between 1981 and 1996.

<sup>2</sup> Generation Z is the population born between 1997 and 2012.





## 2. Human Food Industry

Human Food is the most popular product in the processed tuna industry, with the global market value of human food likely to continue to expand in the future. Although the global market value of human food has declined slightly in the previous period due to lower consumer demand during the COVID-19 pandemic due to the high cost of transportation.

The growth of the world's human food market is primarily driven by the growing trend of healthcare that is becoming increasingly popular today, resulting in people paying more attention to what they eat. Tuna is considered a seafood that meets such needs well because it is a food that provides high protein, low fat, and low calories, as well as having a mild smell and taste and being able to be cooked in many ways. In addition to the growing trend in healthcare, the use of human food products that have a long shelf life and a low price is also an important factor that affects the growth of the human food market. Due to the changing lifestyle of people today, combined with the expansion of urbanization, it results in an increase in the number of women working outside the home, which leaves them with less time to cook. Therefore, there is an increasing need for convenience in food consumption and cooking. These factors have contributed to the popularity of human food as it is a low-cost, quality source of protein, can be stored easily, and has a long shelf life without refrigeration. Moreover, the increasing popularity of online sales channels is expected to contribute to the growth of the human food market. Due to the convenience of ordering products through online channels that are more readily available, consumers have easier access to processed food products as well.

Asia Pacific is the world's major manufacturer of processed tuna products. The world's major tuna exporters include Thailand, the Philippines, Indonesia, and China. However, the majority of the region's processed tuna products are produced primarily for consumption within the region. With the growing population in India and China, along with the rising average income per person, people in the Asia Pacific region are increasingly demanding high-protein foods such as tuna.

The competition in the tuna industry is mainly competitive in the international market because the key markets of the company and those of other manufacturers in Thailand are all foreign customers. Thailand is considered to have exported the most processed tuna products in the world over the years. Thailand has the advantage of location in order to buy tuna from around the world. The country is equipped with skilled labor and production technology that meet international standards and can respond effectively to the needs of the market. Furthermore, the tuna processing operators in Thailand have a network covering the supply of raw materials for production and distribution channels in key markets. The countries with the highest value of export-processed tuna products are followed by Ecuador, China, Spain, and the Netherlands.

Ecuador is considered to be Thailand's main competitor in the global tuna processing industry. Ecuador has more commercial advantages in the EU market than Thailand, as Ecuador has entered into a free trade agreement (FTA) with the EU, effective January 2017. It results in the exemption of processed tuna products from Ecuador from import customs duties, while Thailand is subject to import customs duties at the most-favored nation tariff of 24.0%. However, Thailand is exempt from customs duties on imports of processed tuna products from 15 countries, such as Australia, Chile, and Malaysia. In addition, Thailand is also subject to tax privileges from Japan, provided that Thailand's canned tuna products are made using tuna raw materials from fishing vessels that are registered with the Indian Ocean Tuna Commission (IOTC), a regional fishery management organization.

In 2022, the sales of the company's human food increased compared to the previous year, reaching a level that was a strategic target for the company owing to the return of demand from the countries in the Middle East after shipping costs began to fall, and the company still had the remaining production capacity that is able to meet the specific requirements of customers in those countries.

### (3) Provision of Products and Services

#### **Production Base and Capacity**

The company currently has 2 production factories: (1) the Samut Sakhon factory located at Muang Samut Sakhon District, Samut Sakhon Province, and (2) the MEISI factory located in Shandong, China. The details are as follows:

##### **1) Samut Sakhon Factory**

The Samut Sakhon Factory is the company's main factory, located on a total area of approximately 97 Rai 3.5 square wa. The total production capacity is 65,500 tons per year. It can be divided into 42,000 tons of wet pet food products per year, 17,500 tons of human food per year, and 6,000 tons of by-products per year.

Since the company operates mainly in the contract manufacturing business, most of its production is based on customer orders, striving to meet customers' needs and meet deadlines. Therefore, the company pays great attention to production efficiency. In the past, the company has continuously improved and optimized the production line by applying various technologies to the production process, for example, by adopting machines and robots in various processes to increase production efficiency and support the expansion of the business in the future. It also continuously focuses on preventive maintenance of the machine according to the monthly and annual maintenance plans for each type of machine to reduce the risk of possible machine failure.

Moreover, the company has an auto warehouse, which can store more than 15,000 pallets, to increase the efficiency of the company's warehouse management, reduce the time of product search, reduce the risk of product loss, and support the growth of the company's product demand continuously.

##### **2) MEISI Factory**

MEISI Factory is a dry pet food factory operated by MEISI, a joint venture of the Group, located on a total area of approximately 12 Rai 2 Ngan with a total production capacity of 20,000 tons of dry pet food per year. MEISI factory mainly produces dry pet food on a contract basis for branded customers in China and brands of dry pet food items under the name "monchou" for sale in China.

#### **Product Research and Development (for new production formulas or new products)**

For customers who own the brand of the company's products and wish to have the company develop new production formulas or new products, the customer will provide the basic information, such as the forms of the product, the required raw materials, the nutritional value, and the packaging form. The company's Research and Development Department will invent, research, and develop the production formulas or products until a sample is obtained and a test run is conducted. At each stage, the Research and Development Department will coordinate with customers and other departments within the company, such as the Sales and Marketing Department, the Procurement Department, the Production Department, and the Quality Control Department. After the formulation development is complete, the Research and Development Department will summarize the production formula and produce the sample product to send to the customer for approval. Once the customer approves the sample product, the company will send the product specification and product characteristics along with the price for the customer to consider before confirming the order. Although the production formula developed is the customer's production formula, it is difficult for pet food customers to switch to other manufacturers who will produce the product using the same production formula. This is because the standards and production methods of each contractor may be different, and most pet food customers tend to have the original factory produce such production formulas all the time.

#### **Procurement of Raw Materials Used in Production**

##### **1) Procurement of raw materials for wet pet food products, ready-to-eat food products in sealed containers and fish meal products**

The company procures raw materials and packaging from both domestic and international distributors. The raw materials used in the company's production can be divided into four groups: (1) tuna raw materials; (2) chicken raw materials; (3) other types of fish raw materials, such as sardines and mackerel; and (4) packaging.

The company continuously and regularly orders raw materials. It has prepared a plan for ordering such main raw materials in advance, based on the estimates of customer orders according to the half-year plan and quarterly plan, and requires suppliers to deliver the raw materials on a regular basis so that the raw materials remain quality and fresh. The company also pays attention to determining the minimum quantity of raw materials (safety stock) at the appropriate level according to the type of raw materials. It will consider the amount of raw materials used each month, the duration of the order, and the market conditions of each raw material and packaging to ensure that the company has sufficient raw materials and packaging for production.



The details of the company's raw materials and packaging procurement can be summarized as follows:

### 1.1 Tuna Raw Material

Tuna is the main raw material used in the production of wet pet food and human food products. The main species of tuna used are Skipjack Tuna.

The company focuses on sourcing raw materials from sustainable fishing. Its tuna raw materials have been certified by the Dolphin Safe Certification, which is a regulation on the import of canned tuna products to the United States. This is to certify that tuna raw materials come from catching fish that are not harmful to dolphins. The company imports almost all tuna raw materials from foreign distributors, having 3–4 main distributors. The company orders tuna raw materials in the form of purchase orders in a relatively constant quantity every month. The company will agree on the quantity and price of tuna, as well as the delivery date, with tuna suppliers about 30 to 45 days in advance of each order. In this regard, the company has a policy to reserve tuna raw materials (buffer stock) in an amount sufficient to produce at least 2–3 months in advance.

### 1.2 Chicken Raw Material

Chicken raw materials are another important raw material used in the production of wet pet food products. The company sources chicken raw materials in the form of all fresh chicken meat from a number of local distributors certified by the Department of Livestock Development, of which there are three main distributors. The company makes quarterly advance reservations and will gradually call in fresh chicken meat on a daily basis for use in the production process. In addition, it has ordered additional frozen chicken meat to keep the buffer stock in an amount sufficient to produce about one month in advance because the supply of chicken raw materials can be sourced from all domestic sources, resulting in a relatively short order period.

### 1.3 Other Fish Raw Materials

The company uses other fish types as raw materials, for example, sardines and mackerel, to produce wet pet food products by sourcing them from many distributors abroad. The company has a policy to reserve the buffer stock for other fish types in quantities sufficient to produce about 1–2 months in advance.

### 1.4 Packaging

Wet pet food and human food products have three types of packaging: cans, pouch and plastic cups. Almost all domestic distributors supply the company's packaging. The company has 5–6 main suppliers and mostly orders packaging individually (purchase order) according to the volume of orders received.

## 2) Supply of raw materials used in the production of dry pet food products in China

The company sources raw materials and packaging for dry pet food products from various distributors, which are all in China. The company orders raw materials continuously and regularly, based on customer orders. In addition, the company keeps a reserve of various types of raw materials to ensure that it has adequate raw materials and packaging for production, as well as being able to continue production.

## Stage of Production

### 1. Production process for wet pet food products, human food products and fish meal products

#### 1.1 Production planning

The company will coordinate with customers who have regular orders to request estimates of orders in advance. The details of products, quantities, and delivery times are provided so that the Planning Department can plan the production at least three months in advance and prepare a raw material purchase plan for the Procurement Department. The Planning Department will develop a detailed production plan on a monthly, weekly, and daily basis again. In this regard, a detailed production plan will be submitted to the relevant departments, such as the Cold Storage Department, the Production Department, the Quality Control Department, and the Warehouse Department, so that they are aware of the production schedule and can continue to operate in the relevant areas. Furthermore, in order to ensure the timely delivery of the goods, the Planning Department will monitor the progress of each production, including problems that may occur during production, on a daily basis to bring the data to analysis and consider adjustments to weekly and daily production plans in line with the actual volume of products produced.

For the production planning of fish meal products, the Planning Department will consider the number of raw materials left from the company's tuna processing process without purchasing additional raw materials from third parties.

## 1.2 Production Process



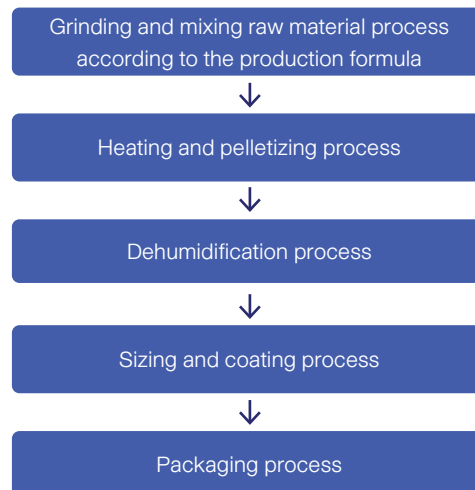
## 1.3 Storage of Products

The finished products on the pallets will be stored in the company's finished warehouse with the auto warehouse system. When the products are ready for delivery, the company will draw the pallets and store them in the waiting area.



**2. Production Process for Dry Pet Food Products****2.1 Production planning**

Upon receipt of the customer's order, the Planning Department will begin to plan the production at least 3–4 days in advance, and a detailed production plan will be developed once again before the actual production begins.

**2.2 Manufacturing Process**

When the Production Department receives the raw materials to be used in production, it checks the quality of the materials every time before sending them into the process. There is also product quality control at various stages in the production process, such as checking the quality of the raw materials, weighing the raw materials, checking the temperature and humidity, screening the pellet size, and checking for foreign matter with a metal detector before loading the products into the packaging.

**2.3 Storage of Products**

After the packaging process, the finished products are kept in the company's finished warehouse until they are shipped to customers.

**(4) Assets Used in Business Operation****1. Main Fixed Assets Used in Business Operations**

According to its consolidated financial statements as of December 31, 2022, the company's main fixed assets used in business operations have a net book value of 1,353.39 million baht. The main fixed assets used in business operations can be shown as follows:

Item	Proprietary Nature	Net Book Value (Million Baht)	Obligation
Land Improvement	Owner	14.98	None
Buildings and Building Improvements	Owner	433.71	None
Machinery and Equipment	Owner	731.39	None
Furniture and Office Equipment	Owner	29.10	None
Vehicles	Owner	2.12	None
Assets under Installation and Construction	Owner	142.09	None
Allowance for Impairment of Assets		-	
<b>Total</b>		<b>1,353.39</b>	

## 2. Right-of-Use Assets

The company has right-of-use assets used in its business operations with a net book value according to its consolidated financial statements as of December 31, 2022, equal to 168.67 million baht with the following details:

Item	Description	Net Book Value (Million Baht)
Land	Location of factories and warehouses leased from people who may have conflicts	137.05
Buildings	Pet food factory buildings, warehouses, and office buildings leased from persons who may have conflicts and third parties	10.26
Factory Equipment	Forklifts, chemical tanks rented from third parties	17.14
Office Equipment	Photocopiers rented from third parties	0.03
Vehicles	Cars rented from third parties	3.92
<b>Total</b>		<b>168.67</b>

The company has two long-term land lease agreements (lease periods of more than 3 years) with a person who may have conflicts, namely Asian Sea Corporation Public Company Limited, to use as the location of the company's production plant, which has already registered the leasehold rights. The details can be summarized as follows:

<b>Parties</b>	The Company ("Lessee")
	ASIAN ("Lessor")
<b>Leased Property</b>	Land with the total area of approximately 38,803.5 square wah located at Ban Bo Subdistrict, Mueang District, Samut Sakhon Province
<b>Rental Purpose</b>	To operate the business of producing and selling food that can be stored for a long time (shelf-stable food) for people to eat, animal feed, fish meal, and other related businesses.
<b>Rental Period</b>	30 years from January 1, 2022 to December 31, 2051
<b>Important Conditions</b>	The lessee has the option to extend the contract for a further period of 30 years after the end of the rental period. The lessee must send a written notice to the lessor at least 36 months before the end of the rental period and must agree on the new rental rate of the leased land for the renewal period at least 24 months in advance of the expiration date of this agreement.

## 3. Intangible Assets

The company has intangible assets, such as computer software, and computer software during installation. The net book value, according to the consolidated financial statements of the company as of December 31, 2022, is 16.71 million baht.

## 4. Policy on Investment and Supervision of Subsidiaries and Associates

The full version of the Policy on Investment and Supervision of Subsidiaries and Associates can be read at



## 5. Use of assets as collateral for loans

- None -

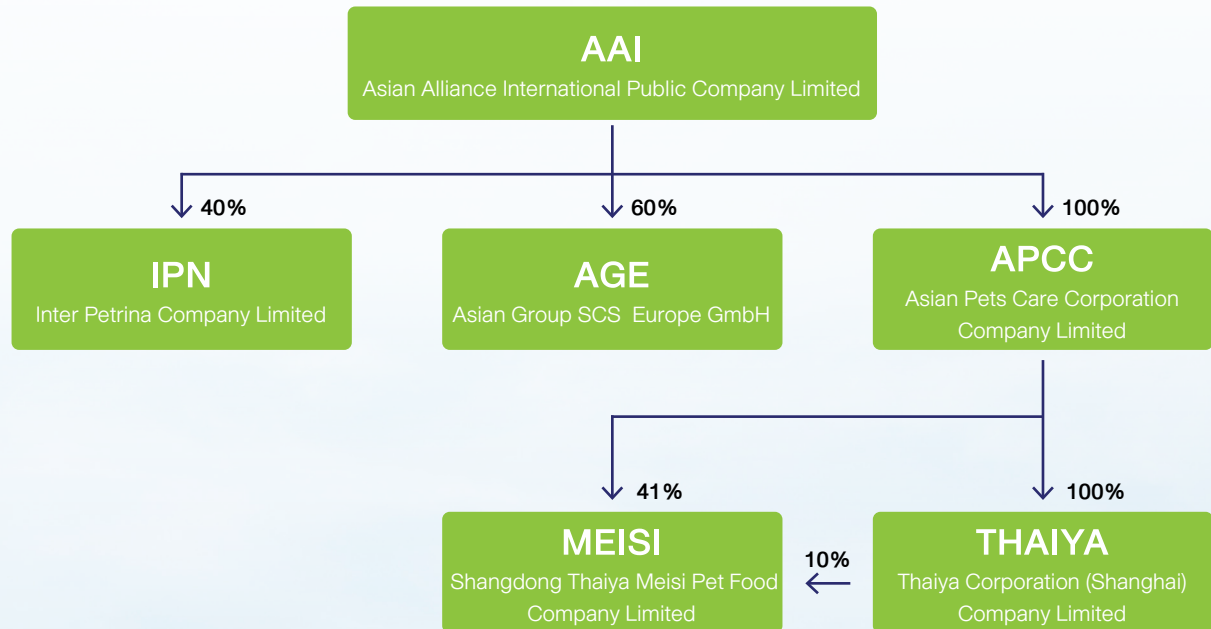
## (5) Undelivered work

- None -



## 1.3 Shareholding Structure of AAI Group

### 1.3.1 Current Shareholding Structure of AAI Group (as of December 31, 2022)





Details of Subsidiaries, Associated Companies and Joint Ventures

No.	Company Name	Status	Headquarters' Location and Contact Information	Characteristics of Business Operation	Shareholder's Equity <sup>1/</sup> (Percent)	Voting Rights (Percent)	Total Number and Type of Shares Sold	Paid-up Capital	Cost Price	Net Book Value of Investment According to Consolidated Financial Statements as of December 30, 2022
1	APCC	Subsidiary	No. 742 Soi Sukhumvit 42, Khlong Toei Subdistrict, Khlong Toei District, Bangkok 10110	Distributing pet food products under the Group's brands, namely Monchou, Monchou Balanced, Hajiko, and Pro.	100.00	100.00	2,000,000 common shares	200.00 million baht	130.80 million baht	N/A
2	THAIYA	Subsidiary	Room 608-2, Building 21, No. 1158, Jiuting Zhong Road, Jiuting Town, Songjiang District, Shanghai, China	Marketing and distributing pet food products under the Group's brands in China.	100.00	100.00	N/A <sup>5/</sup>	USD 3.00 million	USD 3.00 million (94.83 million baht)	N/A
3	AGE	Joint Venture	Toebele 1, 73098 Rechberghausen, Germany	Agent for sourcing pet food brand owners for the company with a focus on European customers.	60.00 <sup>2/</sup>	60.00	25,000 common shares	0.03 million euros	0.02 million euros (0.57 million baht)	-
4	IPN	Associated Company	No. 140/9 ITF Tower, 9th Floor, Silom Road, Suriyawong Subdistrict, Bangrak District, Bangkok 10500	Marketing and distributing wet pet food under its own product brand, Maria.	40.00 <sup>3/</sup>	40.00	40,000 common shares	4.00 million baht	1.60 million baht	-
5	MEISI	Joint Venture	No.19 Xing'an Road, Economic Development Zone, Shounguang City, Weifang City, Shandong, China	Contract manufacturing of dry pet food products under the customer's trademark (OEM) in China.	51.00 <sup>4/</sup>	51.00	N/A <sup>5/</sup>	20.00 million yuan	10.20 million yuan (44.49 million baht)	34.18 million baht

Remarks:

- 1/ Including direct and indirect shareholding
- 2/ 40.0% of the remaining shareholding ratio of AGE is held by Dormeo Handels GmbH, which is not a connected person of the Group.
- 3/ 60.0% of the remaining shareholding ratio of IPN is held by Inter Pharma Public Company Limited, which is not a connected person of the Group.
- 4/ 49.0% of the remaining shareholding ratio of MEISI is held by Shandong Meisi Pet Food Co., Ltd., which is not a connected person of the Group.
- 5/ The company was established in the form of capital assistance in the management of the company (Capital Contribution), which is an investment without issuing shares.





### 1.3.2 Persons who may have conflicts of interest hold shares in subsidiaries or associated companies altogether more than 10 percent of the shares with voting rights of such companies.

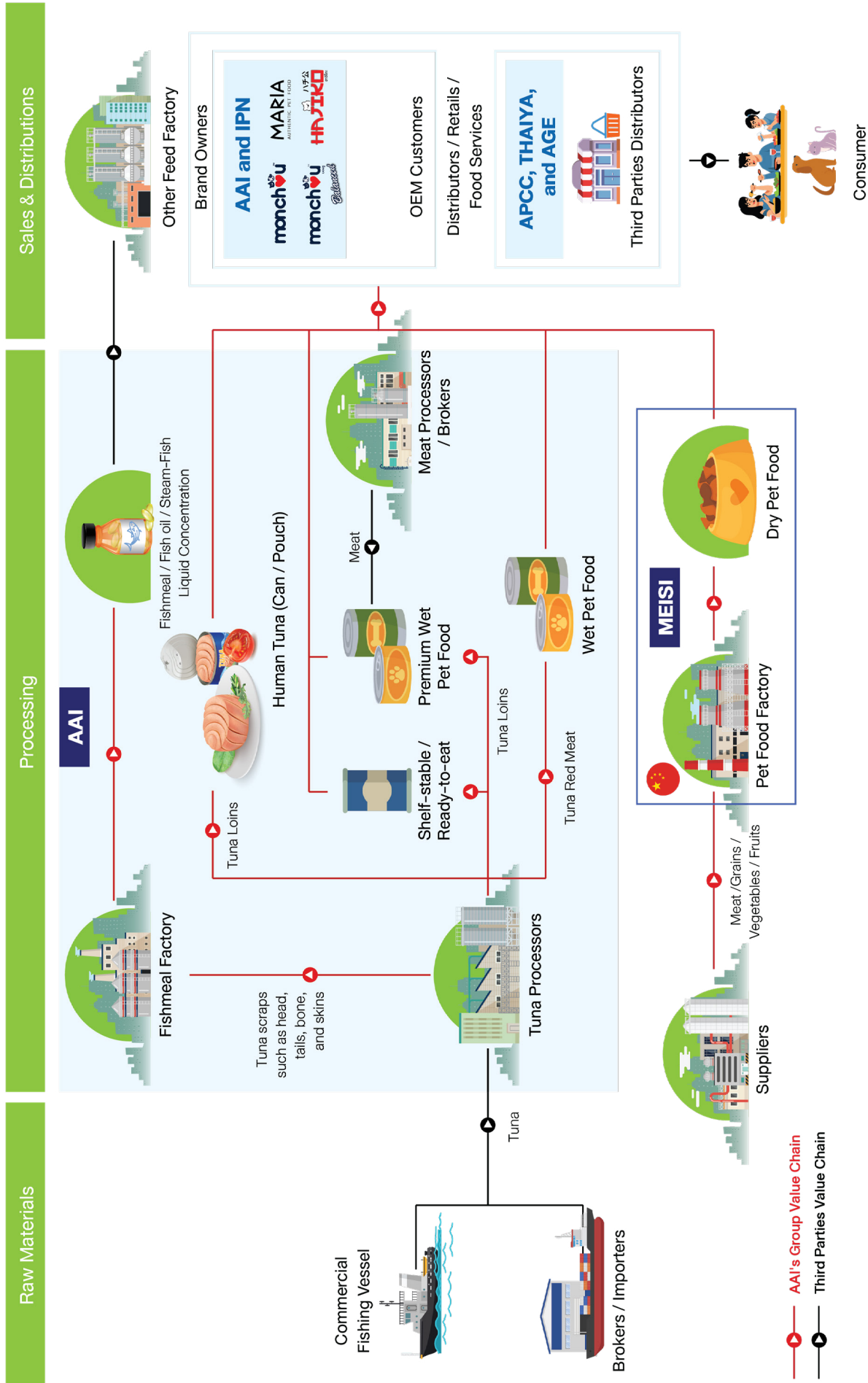
- None -

### 1.3.3 Relationship with Major Shareholder's Business Group

#### Key Business Relationships between the Group and the ASIAN Group

ASIAN Group, a major shareholder of the Group, manufactures and distributes frozen seafood, which is operated by ASIAN and ASIAN SURAT, which is an aquatic animal feed production business for consumption operated by AFEED and the frozen food product purchase, both domestically and internationally, for distribution in the country operated by AFOOD, while the Group is principally engaged in the manufacture and sale of pet food products and human food product. Besides this, the Group also markets and distributes pet food products under its own brands, which are operated by APCC and IPN, as well as being distributors and brokers of products, which are operated by THAIYA and AGE. The value chain diagram for the business of the Group and ASIAN Group can be shown as follows:







The above value chain diagram shows that the Group and ASIAN Group do not have business interdependencies, so there is no important business interdependence. There is only a trade interdependency transaction where the company sells fish meal products, which are by-products of the company's production process, to AFEED for use as raw materials for the production of aquatic feed (shrimp feed and fish feed). These items account for approximately 1 percent of the total sales revenue in the year 2019 – 2022

In addition, the Group engages in the production and sale of pet food products and human food products that can be stored for a long time without refrigeration or freezing. Meanwhile, the ASIAN Group engages in the production of frozen food and aquatic feed business, which has different production processes and finished product characteristics.

There are also different distribution channels and customer groups. For animals food products, the Group distributes pet food to customers who are owners of pet food brands while AFEED distributes aquatic feed under its own trademark to economic aquaculture farms, which are raised for consumption and for human food, the Group distributes human food to customers who are owners of human food brands, while the ASIAN Group distributes frozen food to customers, owners of frozen food brands. As a result, the Group and ASIAN Group have not conducted business in a competitive manner.

However, in order to prevent conflicts of interest in business operations in a competitive manner in the future, the ASIAN Group has entered into a business non-competition agreement on October 12, 2021. The essence of the contract is as follows:

1. ASIAN agrees not to and agrees not to take action to cause the ASIAN group of companies to not do business or invest both directly and indirectly in the business, which is in competition with the agreed business operated by the company and/or a group of companies unless it is an investment through a company and/or group companies.
  - (a) Shelf-stable food for people to eat without refrigerating or freezing with various types of packaging, such as cans or other sealed packaging under the trademark of the company or group of companies and customers.
  - (b) The business of producing and distributing animal feed that is normally kept for companionship or pleasure, which does not include pets for use, pets to use as vehicles, pets for food, or pets for use other than for companionship or pleasure under the company's trademark or group of companies and customers.
  - (c) The business of manufacturing and selling fish meal as raw materials for the production of aquatic feed. The fish meal is derived from the production process in accordance with (a) and (b) above.
2. This Agreement is effective on the date of signing and shall terminate upon the occurrence of the following circumstances:
  - (a) When ASIAN is no longer a major shareholder of the Company; or
  - (b) At the end of the company's duty to comply with the criteria specified in the Notification of the Capital Market Supervisory Board issued under Section 56 of the Securities and Exchange Act B.E. 2535 (1992) (included as amended).

Furthermore, the company has entered into lease agreements relating to land and buildings from ASIAN in order to comply with the utilization characteristics. The details are as follows: (1) A 30-year lease agreement from January 1, 2022 to December 31, 2051, in which the land has a total area of approximately 38,803.5 square wah to use it as the location of the company's manufacturing factory. The rental rate is in accordance with the rental rate assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission; (2) The lease of the building for a period of 3 years from January 1, 2022 to December 31, 2024 to be used as a pet food factory. The rental rate is based on the rental rate assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission; and (3) The lease of the freehold room for a period of 1 year from 1 January 2022 to 31 December 2022 for use in the storage of dry goods. The rental rate is in accordance with the rental rate assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission.

### 1.3.4 Shareholders

#### (1) Major Shareholders

Top 10 shareholders as of December 30, 2022 are as follow:

No.	Name	Shares	%
1	Asian Sea Corporation Public Company Limited	1,487,493,000	70.000
2	Mr. Somsak Amornrattanachaikul	52,344,900	2.463
3	Thai NVDR Company Limited	27,467,562	1.293
4	Ms. Siripat Amornrattanachaikul	27,136,900	1.277
5	Krungsri Dividend Long Term Equity Fund LTF	27,105,900	1.276
6	Krungsri Dividend Stock Fund	25,691,693	1.209
7	Mr. Somchai Amornrattanachaikul	15,094,291	0.710
8	BBHISL NOMINEES LIMITED	14,883,600	0.700
9	Mr. Narat Chivalai	13,770,000	0.648
10	Mr. Tawatchai Tiamtan	10,300,000	0.485
<b>Total</b>		<b>1,701,287,846</b>	<b>80.061</b>

#### (2) Agreements between major shareholders that affect the issuance and offering of securities or the management of the company and its subsidiaries and important to the operation.

None

### 1.4 Registered capital and paid-up capital

#### 1.4.1 Registered capital / Paid-up capital / Number of shares

As of December 31, 2022, Asian Alliance International Public Company Limited has

Registered capital 2,125,000,000 baht (two thousand one hundred twenty five million baht only)

Paid-up capital 2,125,000,000 baht (two thousand one hundred and twenty five million baht only)

Number of ordinary shares 2,125,000,000 shares (two thousand one hundred and twenty five million shares)

Par value 1 baht per share

#### 1.4.2 Other Shares with Different Terms or Right from Common Shares

- None -

#### 1.4.3 AAI's Shares or Convertible Securities as Underlying Securities for Issuing Mutual Funds for Foreign Investors

- None -

### 1.5 Issuance of Other Securities

#### 1.5.1 Convertible Securities

- None -

#### 1.5.2 Debt Securities

- None -





## 1.6 Dividend Policy

### 1. Company's Dividend Policy

Asian Alliance International Public Company Limited. ("Company") shall provide a dividend payment for not less than 50% of the net profit of the consolidated financial statement after tax deduction and all funding reserves as required by laws and specified by the company in each year. This dividend ratio may be changed depending on the performance, financial status, liquidity, investment requirements, additional investment, business expansion, cash reserved for loan repayment or working capital within the company, terms and other restrictions as mentioned in the loan contract and other factors related to the administration as deemed appropriate by the Board of Directors and/or the shareholders. Therefore, the dividend payment must not be more than the retained earnings in the separate financial statement of the company. In the year the company requires some fund for investment or working capital, then the Board of Directors may propose to the shareholders' meeting to determine the dividend payment in another way.

Once the Board of Directors has given its consent for the annual dividend payment, it must be proposed to the shareholders' meeting for approval unless it is the interim dividend payment for which the Board of Directors is authorized to approve for the payment from time to time when there is a sufficient amount of profit and this must be reported to the shareholders' meeting for acknowledgement in the next meeting.

### 2. Dividend Payment for Subsidiary Companies

The subsidiary companies may provide the dividend from the net profit in the separate financial statement after tax deduction and all kinds of funding reserve as required by laws and specified by the company each year. Therefore, the dividend ratio may be considered from the performance, financial status, liquidity, investment requirements, additional investment, business expansion, cash reserved for loan repayment or working capital within the company, terms and other restrictions as mentioned in the loan contract and other factors related to the administration.

The Board of Directors of the subsidiary may consider the annual dividend payment for the subsidiary by obtaining consent from the shareholders' meeting of the subsidiary unless it is the interim dividend payment for which the Board of Directors of the subsidiary is authorized to approve for payment from time to time when the subsidiary has sufficient profit; this must be reported to the shareholders' meeting of the subsidiary for acknowledgements in the next meeting.

The payment of dividends for the 2022, if the 2023 Annual General Meeting of Shareholder on April 20, 2023 was approved. The Company will pay dividends to shareholders totaling 617,100,000.00 baht (six hundred and seventeen million and one hundred thousand baht only), at the rate of 0.2904 Baht per share. The Board of Director had already approved and paid interim dividends for the period 1 January - 30 June 2022 of 192,100,000.00 Baht on 29 August 2022. Therefore, the 425,000,000.00 baht more dividends will be paid for the period 1 July - 31 December 2022 at the rate of 0.2000 Baht. The Company will pay dividends to shareholders on 16 May 2023 and the Board of Directors resolved to determine the list of shareholders who are entitled to receive dividends (Record Date) on 28 April 2023.





## 2. Risk Management

### 2.1 Risk Management Policy and Plan

The Company recognizes the importance of risk management as part of good governance activities to support the organization's drive for sustainable success. It is prepared to deal with the changing conditions that the Company faces at all times, both from internal and external factors, which may affect the ability to achieve the goals of the organization. Therefore, the Company has determined to analyze and evaluate factors and opportunities for risk management and monitoring, as well as communicating relevant information within the Company continuously and regularly through the Risk Management Committee and the Working Group.

The Risk Management Committee will have a duty to supervise the continuous analysis and management of risks, ensure that employees at all levels are aware of the risks, and promote the continuous management of risks throughout the organization to become a company culture. The Company also encourages employees to acquire knowledge about risk management, review risk management reports, and take action to ensure that the Company has adequate, consistent, and appropriate risk management and is able to manage risks to an acceptable level, including developing and reviewing the risk management system to be effective and efficient by regularly evaluating and monitoring the risk management process in accordance with the established policy, as well as advising and deciding on important issues arising in the management process and reporting on the performance of the Risk Management Committee to the Board of Directors.

The working group will propose risk information and risk management methods for the Risk Management Committee to consider and propose risk issues that may not be manageable for the Risk Management Committee to consider and determine management guidelines, along with monitoring and evaluating the risk management. There will be education for various departments to understand the criteria for risk analysis, assessment, and management.

The Company has established a risk management policy and guidelines for management as follows:

#### Risk Management Policy

- 1) The risks must be managed by executives and employees from various departments at the Company. They must play a role and participate in the development of the Company's risk management and have an understanding of the responsibilities associated with risk management.
- 2) The Company provides an effective risk management process at all stages of operations according to the principles of good corporate governance and integrates risk management with information technology management for good management.
- 3) The Company operates and supports risk management successfully throughout the organization by using limited resources effectively to identify, assess, and manage risks appropriately.
- 4) The Company promotes and encourages risk management as an organizational culture by making everyone aware of its importance.
- 5) All employees must follow the risk management guidelines as determined by the Risk Management Committee.
- 6) The Risk Management Committee and the management are to monitor, follow up, and measure the performance of the organization's risk management appropriately.

#### Management Approach

- 1) The Risk Management Committee creates the overall risk management policy framework and guidelines for the Company and its subsidiaries to use as a framework for everyone in the organization to follow in the risk management process in the same direction.
- 2) The Company provides training, education, and workshop activities for employees to understand and identify risks and risk factors in the workplace.
- 3) Risk Analysis
  - 3.1) Analyze the likelihood of risk by defining five levels.
  - 3.2) Analyze the consequences of the risk by defining five levels.
  - 3.3) Establish risk assessment rules by considering the likelihood of occurrence and the consequence level of each factor, then taking into account the outcome of the relationship between the risk and the consequence to determine what level of risk will occur. It is defined as having four levels: Low, Moderate, Significant, and High.
- 4) A risk assessment is an assessment of the likelihood and consequence of an incident based on the identification of risks and their risk consequences.
- 5) Risk management begins after assessing the risk and analyzing the results to plan and control. There are four ways to respond to the risk: Accept, Pass-On, Reduce, and Terminate.
- 6) Risks are followed up in the Board of Directors' meeting to acknowledge the progress and compliance with the risk management plan, whether or not there are internal control limitations, resource constraints, or other obstacles.



## 2.2 Risk Factors for the Company's Business Operation

The Board of Directors focuses on managing various risks that may arise from both internal and external factors that can affect business operations by taking into account different factors in each business group of the company, covering all 4 risk areas: strategic risk, operational risk, financial risk, and compliance risk.



The following risk factors are some of the significant risk factors that may affect the company and its share value. However, there may be other risk factors that the company may not be aware of at this time, or there may be risk factors currently present that the company believes are not significant, but such risk factors may cause damage to the business, financial position, operating results, and business opportunities of the company in the future. These risk factors may have a significant negative impact on the business, financial position, operating results, and business opportunities of the company. In addition, statements appearing as forward-looking statements may present risks and uncertainties. The actual performance of the company may differ significantly from the estimates stated due to various factors, including risk factors, as detailed in this topic. Therefore, investors should consider the following information together with the statements in the form of future forecasts as well.

### 2.2.1 Risks on the Company's Business and Operations

#### Strategic Risk

##### 1. Risk of being a contractor to produce products under the customer's product brand

Almost all of the company's revenue comes from the contract to produce wet pet food and human food products under the customer's product brand (Original Equipment Manufacturer: OEM) according to the production formula, quality standards, and delivery time set by the customer. The company's major export markets are the United States, European countries, and Japan. In general, customers will order products with the company by confirming the order (Purchase Order) from time to time and receive the product gradually according to the specified period. Therefore, the company is at risk if the customer hires the manufacturer to reduce the order quantity or switch to hire other manufacturers, which may affect the company's revenue and performance.

In the past, the company has implemented a business strategy to become a co-developer and pay attention to product research and development, having modern production technology, as well as having a production process and providing quality products and services with international standards in order to meet the needs of customers as best as possible. This is a very important factor in the decision to choose the manufacturer of the customer, the owner of the product brand for the above reasons. As a result, the company has been able to maintain the company's key customer base. In addition to continuing to successfully develop new production formulations and products, as well as developing production techniques that distinguish the company's products from competitors, the company has set a goal to enhance the status of the company according to the supply chain of the business. In addition to being a co-developer, a strategic partner, looking for opportunities to develop relationships in both upstream and downstream business segments.

##### 2. Risks from changing consumer behavior

Consumer behavior is changing more rapidly, especially after the COVID-19 pandemic. Consumers are increasingly focusing on health and sustainability and responsibility as consumers. There are behaviors such as choosing healthy products, natural biodegradable products or products with environmentally friendly packaging, as well as purchasing products from companies with good governance and business practices that take sustainability into account. Therefore, the company is at risk if it is unable to adapt or offer products that meet changing consumer needs or behaviors that may significantly affect its business operations.

The company foresees and values sustainable business practices (Environmental, Social, Governance: ESG) and has been developing sustainability strategies since 2019. The company adheres to the United Nations Global Sustainable Development Goals (SDGs) and continuously monitors and analyzes changes in consumer behavior and needs in order to be able to formulate operational strategies and adapt to the situation in a timely manner. Moreover, the company also pays attention to the continuous study, research, and development of new products and packaging, such as plant-based food products and environmentally friendly packaging, in order to be able to respond to customer needs as much as possible.



### 3. Climate Change Risks

The rapidly changing climate and the current global warming have had a wide impact around the world, causing various environmental risks such as temperature changes that affect the survival of marine life, which is the company's main source of raw materials, as well as natural disasters, such as flooding from rising sea levels due to melting sea ice, fire and drought from rising temperatures, which may affect the supply of raw materials, production and sustainability of the company's business operations in the future.

The Company is aware of the problems and impacts of climate change. Climate change is the main cause of greenhouse gas emissions from industrial production processes, energy consumption, and transportation using fossil fuels. The Company determined that greenhouse gas emissions are to be reported every year from 2019 and has established a program to reduce greenhouse gas emissions every year. In 2020, the company participated in the 9th phase of the Carbon Footprint Promotion Project to measure greenhouse gas emissions and identify activities that contribute to greenhouse gases. The project aims to effectively manage and continuously reduce greenhouse gas emissions by searching for significant sources of greenhouse gases within the implementation of the business processes to find ways to reduce greenhouse gas emissions from sources. Furthermore, the company has set a target to reduce greenhouse gas emissions per ton of production and goal to study carbon offset guidelines to achieve carbon neutral goals by 2030 and achieve the net zero emission target by 2050 in order to express the intention to jointly control the average temperature of the world not to exceed 2 degrees Celsius and respond to the world's sustainable development goals. In 2021, the company has also started a project to generate electricity from solar energy on the roof of its plant to push the approach to switch to energy from renewable sources of clean energy. The project can help reduce greenhouse gas emissions by about 2,725.71 tons of carbon dioxide equivalent per year. And in 2022, the company has set up a project to improve the wastewater treatment system and wastewater from the production process, which is expected to reduce greenhouse gas emissions arising from the wastewater treatment process. And set up a project to change the electrical system around the plant building to a solar power system.

In order to achieve the stated long-term GHG reduction targets, the company plans to set short-term targets for further reduction of GHG emissions per ton. The above project performance data will be used to determine such targets. Initially, the company expects to begin considering setting such short-term targets in 2023.

### 4. Risks of dependence on export markets that may be concentrated in certain regions

Currently, the company's revenue is more than 90% of the revenue from the export of products to foreign countries. Most of the export of wet pet food products go to the United States because it is the world's largest pet food market and continues to grow. Therefore, the company is at risk if there is an event that negatively affects the United States export market, reducing the order volume of the company's products, such as changes in the economy, changes in relevant laws and regulations, or changes in exchange rates, and may affect the company's performance.

The company has established an agency that is responsible for monitoring the requirements, rules and laws of the exporting countries, and the Executive Committee meeting also regularly monitors the economic situation and the political and trade policies of the main exporting countries to be able to determine strategies and operational guidelines in accordance with the legal requirements and the changing economic, social and political situation of the main exporting countries.

The company has also focused on diversifying sales to various regions to reduce the risk of dependence on exports to a particular region or country. For pet food products, the company plans to expand its export market in European countries, Japan and China by recruiting new customers and increasing sales volume to existing customers. One of the key strategies that the company uses to expand its export market for pet food products is the establishment of subsidiaries and joint ventures with business partners in the target countries or regions. That is to say, the company has invested in the ASIAN Group SCS Europe GmbH (AGE), which was established in Germany in 2018 to serve as an agent for customer acquisition in the European region, and the company has established the Thaiya Corporation (Shanghai) Co., Ltd. (THAIYA) in China in 2018 to pioneer the marketing and distribution of pet food under the brand Monchou, the company's pet food product brand.

For ready-to-eat products with sealed containers, the main customers of the company currently include the Middle East region, where the company receives the most reasonable selling price for raw materials in each period.





## Operation Risk

### 1. Risks associated with tuna raw materials

Tuna raw materials are an important raw material in the production process of wet pet food and human food products of the company. Therefore, the ability to provide tuna raw materials in sufficient quantities for production and at an affordable price is one of the important factors that affect the success of the company.

However, since tuna raw materials are fishery products combined with the tuna processing industry of Thailand, it is necessary to rely on the import of tuna raw materials from abroad. The quantity and price of tuna raw materials are affected by external factors such as changes in supply and demand at both the regional and global levels, weather conditions, the duration and cost of transportation of goods, and relevant laws or regulations, etc., which are factors beyond the control of the company. The company therefore has risks associated with tuna raw materials as follows:

#### 1) Risk of shortage of tuna raw materials

The company supplies tuna raw materials by importing mainly from overseas tuna suppliers. However, the amount of tuna around the world is at risk of falling due to overfishing and climate change. Therefore, the company is at risk if the world's tuna catch volume decreases or the supply chain of tuna supply experiences problems. As a result, the company is unable to supply tuna in the required quantity and quality, which will affect the production of customer orders and may affect the company's performance.

Today, however, operators in the tuna processing industry are increasingly aware of and focus on sourcing tuna from sustainable fishing by supporting non-destructive fishing tools such as fishing nets, fish aggregating devices (FADs), ending overfishing, and ending human rights violations and forced labor on fishing vessels. Moreover, operators also focus on having traceable products (Traceability) that can be traced back to the suppliers of raw materials and packaging that deliver goods to operators. According to the United Nations, as a result of the cooperation of all sectors in ending overfishing, the amount of tuna stocks in the world is increasing steadily.

The Company pays great attention to the management of tuna fish raw materials by planning the order of tuna fish in accordance with the situation of using raw materials at each time by considering both price, customer needs, fishing season, production plan and production capacity of the company as well as the delivery period to manage to have enough raw materials in the produce continuously and regularly. In addition, in order to prevent the risk of shortage of tuna raw materials in production, the company has a policy to reserve tuna raw materials (Buffer Stock) in sufficient quantities to produce for at least 2–3 months. As a result, the company has never had a shortage of tuna raw materials in production before. If the company needs to reserve more tuna raw materials in accordance with the supply chain situation of tuna raw materials or to support for future capacity expansion, it can consider using or renting additional cold storage space from ASIAN Sea Corporation Public Company Limited ("ASIAN"), a cold storage facility located in the same area as the company's factory location, to accommodate the increased reserve of tuna fish.

#### 2) Risk of reliance on major tuna suppliers

Generally, in the tuna industry, ordering tuna is a form of purchase order on a one-time basis. Therefore, the company has not entered into a long-term contract with the supplier of the tuna raw materials. Most of the tuna of the company is ordered from one of the major suppliers. Therefore, the company is at risk if the supplier is unable to supply and deliver the tuna raw materials to the company in sufficient quantities in accordance with the appropriate quality and standards or within the period specified by the company. This will affect the company's production operations.

The company's major supplier of tuna raw materials is one of its brokerage firms. The world's largest tuna merchant has a global network of tuna suppliers, both from fishing on its own fishing vessels and from the collection of tuna from small fishing vessels. There are tuna catching sites in both the Pacific, Indian and Atlantic oceans. Therefore, the company relies on major tuna suppliers to ensure that the company is able to supply the required amount of tuna according to the company's production plan. However, the company has focused on maintaining good relationships with such major tuna suppliers since the start of business by planning to order in large enough quantities and relatively stable on a monthly basis.

However, in order to reduce reliance on the supply of tuna from such major tuna suppliers, the company has also increased the proportion of ordering of tuna from 2–3 other major suppliers to ensure that in the event that the company's major tuna suppliers are unable to provide the required amount of tuna, the Company will be able to source from other tuna suppliers.

### 3) Risks from fluctuations in the price of tuna raw materials

Tuna raw materials are raw materials that come from the sea naturally. As a result, prices fluctuate according to supply and demand in the market and change in exchange rates. This depends on factors beyond the company's control, such as climate change that results in lower tuna fishing volumes, and more stringent tuna fishing quotas to reduce overfishing problems and restore ocean tuna populations.

Therefore, the company is at risk if the price of tuna raw materials fluctuates, resulting in a significant increase in the cost of sourcing raw materials, which will directly affect the company's performance if it is unable to adjust the selling price of products in line with the increased cost.

The company has taken steps to reduce the impact of the fluctuation in the price of tuna raw materials by ordering and disbursing tuna raw materials for production in relatively stable quantities each month in order to maintain sufficient quantities of reserve tuna raw materials (Buffer Stock) for production for at least 2–3 months. With the determination of the method of recording the cost of tuna raw materials by the average cost method, it results in lower prices of tuna raw materials, inventory and production costs of the company. In addition, with the company's main business being the original equipment manufacturer (OEM), which has set the selling price of products by the method of determining the price according to the cost-plus additional profit. For human food, the company will set the trading price with new customers according to the order cycle and according to the price of tuna raw materials disclosed in the wholesale market. As a result, the company can adjust the selling price of products in accordance with the change in the price of tuna raw materials during each period. For pet food products, in general, the industry will maintain the price of trading with customers for at least 6 months. The company also has a business strategy that focuses on continuing to expand the pet food business because it is a business with high growth prospects. There is a lower proportion of tuna use and a better profit margin than the human food products.

In addition, the company's business direction focuses on continuing to expand its pet food business. This reduces the impact of risks associated with tuna fish raw materials on the company's performance, including the risk of shortage of tuna fish raw materials, the risk of dependence on major tuna fish raw materials suppliers, and the risk of fluctuations in tuna fish raw materials prices. Since pet food products have a lower proportion of tuna fish raw materials used in products than human food.

## 2. Risk of the company's production process having to rely on labor-intensive process

The company operates a tuna processing business to produce pet food products and human food products. The sealed container relies on a labor-intensive process, especially in the process of preparing raw materials. At present, the company has approximately 4,000 migrant workers in the manufacturing sector from the total number of employees about 4,600 workers. The company is at risk if the company cannot maintain existing labor or cannot provide additional or replacement labor to support the company's production plan. In addition, the company is at risk if labor costs are adjusted in the future from government policies that may increase the minimum wage rate, which may affect the operating costs and financial position, as well as the company's competitiveness and profitability.

The Company places great emphasis on human resource management. The manpower plan is established in line with the company's growth plan. The company also has a variety of recruitment channels, such as registering with the Department of Employment to admit migrant workers to work at the Company, recruiting staff through recruitment websites, posting job application announcements on the company's website, posting the job application announcement at the front of the factory, etc. In addition, the company has prepared a training plan to develop the internal personnel individually and a succession plan for important positions. In addition, the company has appropriate monetary remuneration and welfare by periodically conducting remuneration and welfare surveys to be in line with the labor market, as well as having a clear and fair evaluation system. The company also tries to motivate personnel to work with the company by fostering good relationships among personnel and creating a good working culture and environment.

As for the risk of labor costs that may be increased by government policies that may increase the minimum wage rate to control the overall cost of production, the company has focused on studying and implementing efficiency improvements throughout the organization by continuously improving the production process with a focus on adopting technology, and automatic machines are used in production. To reduce the dependence on workers in the manufacturing sector and to manage production costs more effectively, the company has also invested in automated warehousing systems to increase efficiency in inventory management. Besides this, the company also pays attention to the continuous training of employees about the production process, the skills required in each department, as well as food safety standards to strengthen productivity in the performance of employees. The company also has monitoring and control of each employee in accordance with the standard of measuring the effectiveness of employees. Since the company has a policy of pricing products by a way of cost-plus profit increase, the company may consider adjusting the price of products to reduce the impact of the minimum wage rate that may be raised in the future.

## 3. Risk of business interruption

The Company may have a risk from production operations that may be interrupted or temporarily shut down while exceeding emergency situations, natural disasters, accidents or corporate malpractice such as fire, floods, terrorist events or severe epidemics. This may result in the company experiencing labor shortages because some employees may need to take temporary time off work or be unable to travel to work or affect the supply chain or transportation system. This will directly affect the company's production plan and may result in the company not being able to deliver the goods on time according to the schedule of customers.

The Company has prepared a business continuity plan to prepare for the appropriate emergency situations and mitigate the damage to an acceptable level, as well as ensuring the important processes can be resumed in the shortest possible time.



Under the recent COVID-19 pandemic, the company has implemented appropriate management practices and prioritized the health and safety of its employees. As a result, the Company's employees are safe and able to operate normally and are not affected by disruptions to its business activities.

In addition, the company regularly coordinates with each raw material supplier to closely monitor the situation of the time of transportation of various products so that the company can plan the production and purchase of raw materials and manage the inventory in accordance with the situation at each time. Therefore, the company has not been affected by the problems in the supply chain of raw materials that the company uses in the production process, especially raw materials that need to be imported from abroad, such as tuna raw materials, and other types of fish raw materials.

#### 4. Risk of Information Technology System Failure or Cyber Threat

The company uses information technology systems to process, communicate, store information, as well as manage and support business processes in all sectors, from research and development, production, inventory management, sales, human resource management, finance and accounting, and enterprise management. Therefore, if the information technology system crashes due to power outages, natural disaster, or failure of computer systems or telecommunications networks, or damage from cyber threats, such as computer viruses and unauthorized login (Hacking), it may result in loss of important information or cause the company's business operations to be interrupted. If confidential information is leaked, it may result in the company's loss of credibility and may incur remediation and responsibility costs. Moreover, the company is at risk of compliance with laws, rules and regulations relating to the storage, use, disclosure and security of personal information, including requests from regulatory authorities and government agencies in relation to such information in accordance with the Personal Data Protection Act B.E. 2562 (2019) ("**PDPA**"), which was published in the Government Gazette on May 27, 2019 and has been effective since June 1, 2022. The compliance with PDPA may result in higher costs for the company; however, if the company is unable to comply with such laws, it may have a significant negative impact on the company's reputation and performance.

However, the company has realized the importance of its information technology system; therefore, strict information technology security control measures have been established, such as determining the right to access user information, monitoring access to user information, installation of computer security systems (Firewall). In addition, the company has developed an IT emergency response plan and set up a standardized backup system to prevent data loss and support emergencies so that it can continue to operate its business. In addition, the company has also developed and updated its computer security and information technology systems regularly to keep pace with changes in cyber threat patterns and has an information technology system that is consistent with the needs and can support the growth of the company.

For the Company's implementation to comply with the PDPA criteria, the PDPA Working Group has been set up, and relevant policies and procedures have been established in accordance with the guidelines of the ASIAN Group. The PDPA training has also been provided to all employees of the company.

### Financial Risk

#### 1. The risk that the company's insurance policy may not be sufficient to cover all damages that may occur to the company.

The company's business operation carries common risks arising from manufacturing processes, storage, transportation, and operations. These include risks arising from explosions, fires, natural disasters, defects in machinery or equipment, improper installation and use of machinery or equipment, accidents, terrorism, and other unrest. These risks may cause damage to the life and property of the company, as well as its business operations may be interrupted, including holding legally liable. However, the company cannot guarantee that if there is a significant amount of loss incurred by the company under the insurance policy provided by the company, such damage will be covered or all potential damages will be covered if the company's loss exceeds the limit. Insurance coverage that the company has made significantly, or if the company is unable to make a claim from the insurance that the company has made may have a significant negative impact on the business, financial position and performance of the company. In addition, the company may not be able to prepare an insurance policy with the type of insurance policy and the amount of insurance that the company considers necessary or sufficient or with premiums that the company considers reasonable, especially if there is a significant increase in the premium amount when the insurance policy is renewed (for example, when there is an event that may affect the factors used in calculating the risk and premiums). The increased cost of premiums may have a negative impact on the cost and profitability of the company.

However, the company has a policy to enter into an insurance policy contract at an appropriate level in accordance with industry principles to prevent damage that may occur to the main assets of the company, including third parties. The company has prepared insurance in various areas, including industrial all risks, extensive liability insurance of business operators to other people (comprehensive general Liability) and contaminated products, etc. In addition, the company will review and consider the value of coverage every year to ensure that the value of coverage according to the policy corresponds to the value of the main assets and the size of the company that has changed. In the provision of insurance, the company will compare the insurance premiums, coverage levels, coverage limits, reliability of the insurance company and other conditions of the insurance company so that the company can provide appropriate insurance to the company's operations.

## **2. Risk of the company being recalled or sued for damages if the consumer has a complaint about the company's products**

Although the company mainly manufactures products under the customer's brand (OEM) and has a process to inspect and control the quality of raw materials, production processes and storage and delivery of finished products in order to ensure the quality and safety of the company's products according to the specified standards. However, the company is also at risk of product recall or litigation if the company's products are deteriorated or other events that may affect the quality, safety and reliability of the products, which may affect the sales of the company's products and business operations.

The company pays great attention to the quality control and safety of its products at every stage, from the stage of product research and development, to the procurement and quality inspection of raw materials, to the storage of raw materials. From production to delivery of products to customers, in the process of product research and development, the company regularly monitors information related to research results or standards and requirements for new production formulations to ensure that the company's production formulations meet established nutritional standards. The company has been certified by various agencies at home and abroad, including Hazard Analysis and Critical Control Point System (HACCP) standards, Good Manufacturing Practice (GMP) standards, and International Food Safety Standards of the Association of Business Operators, and the British Retail Consortium (BRC) certifying quality, safety and production standards of the company's products at an international level.

In addition, the company has established a management procedure when receiving complaints from customers systematically, such as in case of problems with the product after the product has been sent to the customer. There is also a system that can check back which products have been complained of from time to time (Lot Number) of such products to be able to make appropriate and timely management decisions and solutions, etc. The company also provides monetary damage protection that may arise from customer litigation. It has also provided contaminated products liability insurance with an insurance fund of \$10.00 million, which covers damage to goods caused by accidental contamination, malicious product tampering and product extortion for pet food products and ready-to-eat food products in sealed containers of the company both at home and abroad around the world.

## **3. Risk of currency mismatch between income and sales costs**

More than 90% of the company's revenue comes from the export of goods to foreign countries. Most companies and customers agree to use the US dollar to pay for goods, while the company's sales costs are mainly in Thai baht. Therefore, although the company manages the risk of exchange rate fluctuations by assigning the revenue and sales costs to the same currency (Natural Hedge), the company is also vulnerable to inconsistencies in the proportion of revenue and sales costs in US dollars. Therefore, if the exchange rate in Thai baht to US dollar fluctuates significantly, it may affect the company's performance.

However, the company is aware of the risks of foreign exchange fluctuations and prioritizes the management of such risks by using financial instruments such as currency forward contracts in US dollars. The company has assessed the risks of foreign exchange for consideration in entering into foreign exchange contracts. Periodically according to the situation, the company will enter into a foreign currency futures contract to close all risks from the change in the exchange rate of baht to USD for the difference that occurs between (1) the trade receivable value, (2) the trade creditor value, and (3) the remaining loan value in USD. The Company also considers entering into a foreign currency futures contract in USD for the difference between the value of orders from foreign customers and the order value of the Company to the outstanding foreign creditors. The order has been submitted but has not been delivered. The company will consider the value of entering into a foreign exchange contract in advance based on the trend of the exchange rate, the delivery period of the goods, the period to receive payment for goods and credit, the term of trade receivables and trade payables, as well as other factors that may affect the exchange rate in the future.

Entering into a currency forward contract to determine the exchange rate in the US dollar beforehand may cause the company's financial statements to still show gains or losses from the exchange rate, but it should be offset by declining sales revenue or increases from changes in the exchange rate.

## **4. Interest rate fluctuation risk**

Interest rate movement is one factor that affects the company's performance and cash flow. Since the company uses part of the funds from borrowing from financial institutions both a credit line for trade (Trade Credit) and a credit line that is a long-term loan to be used in the investment activities of the company, where the trade credit line is a short-term credit line with interest rates that change according to the market rate. This puts the company at risk from potentially increasing interest burden, which the company manages this risk. The interest rate volatility has been closely monitored. This is for the most effective financial management. It also has a policy to provide financing from long-term sources with fixed interest rates of not less than 50% of the total loan that the company uses.

However, in October 2022, the company raised funds from the initial public offering of ordinary shares (IPO). The objective of the fundraising was to be used as an investment for expansion of production capacity, loan repayment, and working capital. As of December 31, 2022, the company did not use commercial credit in any way.





## Compliance Risk

### 1. Risks related to environmental impacts on communities and society

The Company is at risk from the production process that may affect the environment, community and society, causing environmental movement activities or resistance from society, and may affect the continuity of business operations, the reputation of the Company, or the increased cost of compensation for damages.

The company is aware of the risks and potential impacts. Therefore, the company places importance on the efficient use of natural resources in the production process with the maximum yield but minimal waste and pollution. The company aims to develop and improve the production process in order to be able to use the limited energy efficiently and efficiently. In addition, the Company sets guidelines for the management of wastewater from the production process, air pollution management, as well as waste management according to the 3R principle, which is Reduce (Reduce or use as little as necessary), Reuse, and Recycle to reduce the impact of the production process on the environment and community as much as possible. In the past, the company has never been fined or penalized for violating environmental laws in any way.

### 2. Human rights risks

The company employs a large number of workers in production. Most of them are migrant workers. As a result, the company has human rights risks in terms of labor management in accordance with labor laws, human rights principles and occupational health management and safety in the work of employees. In addition, since the value chain of the Company's business is related to fishermen, the Company may have risks that may arise from business partners in the group of raw material suppliers in terms of employment practices and labor management in accordance with the law and the human rights principles. If the Company or its raw material suppliers fail to comply with relevant laws, rules, and regulations, this may result in complaints or lawsuits from individuals. This may affect business continuity, the company's reputation, or increased costs from compensation for various damages.

The company has always paid attention to human rights issues. It has established strategies and guidelines for conducting business in accordance with the labor laws of the Department of Labor Protection and Welfare, Ministry of Labor. The company has been certified at the basic level of Thai labor standards and ethical standards for members of the Supplier Ethical Data Exchange (SEDEX). Currently, the company has been certified in four topics, covering labor, health and safety, environment and trade ethics, as well as the labor employment standards of the International Labour Organization (ILO).

The company has issued and reviewed policies on respecting laws and human rights principles. It will treat all employees with equal respect for honor and dignity, regardless of race, nationality, gender, religion, color. In addition, the ASIAN group, including the company, has issued a joint statement between government agencies and fishery operators on the policy of not violating the law, not buying imports and exports of aquatic animals, aquatic products obtained from illegal practices, illegal labor, and human trafficking. The company also has an anti-corruption policy, including providing channels for whistleblowing and complaints, as well as measures to protect the complainant or those who give information in the investigation. In the past, the company has never been complained of and has never been fined for violating human rights laws in any way.



## 2.2.2 Risks to Securities Holders' Investments

### Risks from Major Shareholders Having Control over the Management of the Company

Asian Sea Corporation Public Company Limited, or ASIAN, is a major shareholder of the Company, accounting for 70.00% of the total number of shares issued and sold by the Company. In addition, the Company has directors representing ASIAN on its Board of Directors, totaling four out of eight persons, and being authorized signatory directors of the Company. Therefore, ASIAN has the power to manage and control most of the votes on important resolutions about the appointment of directors or seeking resolutions on matters requiring a majority of the votes of the shareholders' meeting, except for matters that are required by law or the Company's articles of association to receive three-fourths of the number of shareholders attending the meeting and having the right to vote, such as capital increase or capital reduction. Therefore, the votes of other shareholders attending the meeting and having the right to vote may not be gathered to produce different resolutions.

However, the Company has a management structure consisting of the Board of Directors and six sub-committees, namely the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, the Corporate Governance and Sustainability Committee, the Risk Management Committee, and the Credit Committee. The scope of authority, duties, and responsibilities of these sub-committees are clearly defined, and the Company's working system is standardized and easily audited. The structure of the Company's Board of Directors consists of independent directors who represent at least one-third of the total number of directors of the Company. There are three independent directors out of eight directors. The Company also appoints an independent director to serve as the Chairman of the Board of Directors. In addition, the three independent directors also serve as the Audit Committee Members to monitor the Company's operations and ensure that any operations of the Company are conducted for the benefit of the Company, especially minority shareholders and other stakeholders. In this regard, the Company has also established an Internal Audit Department, which is an independent internal unit of the Company, to conduct an audit of the Company's internal control system and report the results to the Audit Committee, enabling the Company's work to be reviewed for better transparency as well as balancing the power in proposing matters to be considered for inclusion in the shareholders' meeting to a certain extent. Besides this, the Company has rules and regulations in case of transactions related to directors, major shareholders, or persons with authority to control the business, including persons who may have conflicts of interest. Such persons will not attend the meeting and have no right to vote on such transactions. This can reduce the risk of potential conflicts of interest.

### Risks from Relying on Key Senior Management Officials

One of the key factors for the Company's success and continued growth is the presence of key personnel at the level of competent supervisors in many departments, such as the Product Research and Development Department, which relies on knowledge and expertise to jointly invent and develop production formulas with customers; the Quality Management Department, which relies on knowledge of various industry rules and standards and expertise and experience in quality inspection of raw materials and products; the Production Department, which manufactures products to meet the standards, specifications, and customer needs effectively; and the Marketing Department, which has expertise and experience in presenting the Company's products and the ability to manage relationships with customers both at home and abroad, etc. Accordingly, the Company is at risk of relying on key personnel with such capabilities. If the Company is unable to motivate and retain such executives or personnel and fails to replace them within a reasonable period of time, it may significantly affect the Company's operations and competitiveness.

However, the Company recognizes the importance of retaining key personnel. It has concisely established guidelines to prevent risks that may arise from the loss of personnel, especially in important positions, by, for example, considering the allocation of remuneration and monetary and non-monetary benefits that are appropriate for the knowledge and abilities of each individual. Moreover, the Company has planned for each department to create an organizational culture to transfer knowledge and add important positions to accelerate the development and promotion of new employees so that they can perform their work more efficiently. The Company also provides a succession plan to prepare for the long-term development of important personnel within the Company. As a result, the Company has never experienced the loss of important personnel that affects business operations or competitiveness in any way.

## 2.2.3 Risks Facing Investing in Foreign Securities

-None-



### 3. Driving Business for Sustainability

#### 3.1 Sustainability Management Policy and Goals

The Company and its subsidiaries operate their business under the framework of good corporate governance, transparency, and traceability. The Company is committed to business development and creating economic, social, and environmental balance. The Group is determined to maintain itself as a good corporate citizen, to operate its business sustainably under corporate social responsibilities based on ethics and principles of good corporate governance, to support the achievement of the United Nations Sustainable Development Goals (SDGs) in response to climate change issues, and to effectively generate returns for shareholders by considering the impact of business operations on those involved in all aspects of the Group.

The Company has developed its sustainability strategy since 2019 under the management of Asian Sea Corporation Public Company Limited (“**ASIAN**”), a major shareholder of the Company. ASIAN set up the ASIAN Sustainability Management Committee in late 2019, comprising the top executives of all ASIAN Group subsidiaries to ensure that the ASIAN Group’s sustainability strategy is in line with the operations of all business groups and that all subsidiaries in the ASIAN Group seriously comply with the sustainability strategy.

The Board of Directors appointed the Corporate Governance and Sustainability Management Committee of the Company in late 2021 to maintain the Company’s serious commitment to implementing the sustainable development guidelines and to ensure that the sustainability strategic plan is regularly reviewed to fit the operations of the Company and its subsidiaries. The said committee adheres to the Sustainable Development Goals (SDGs) and proposes to the Board of Directors to approve the CHEERS! strategic plan, whose operational framework covers all dimensions of environmental, social, and governance (ESG), to be used as the Company’s sustainability strategy plan as well as ASIAN, considering that the CHEERS! strategy plan is consistent with the formulation of strategic plans for both short- and long-term business operations, including being in line with the direction of global sustainability development and expectations of all stakeholders under the concept that business sustainability comes from responsible business operations under the CHEERS! strategic plan. The Company shall operate responsibly in six areas as follows:

C	H	E	E	R	S
(Consumers)	(Human Development)	(Efficiency)	(Environment)	(Rights of human)	(Stakeholders)
Responsible for Consumers	Responsible for Human Development	Responsible for Efficiency	Responsible for Environment	Responsible for Right of Human	Responsible for Stakeholders
<ul style="list-style-type: none"> <li>• Continuous product research and development.</li> <li>• Production of quality products that are safe for consumers.</li> <li>• Product traceability</li> </ul>	<ul style="list-style-type: none"> <li>• Fair remuneration and systematic, transparent performance considerations</li> <li>• Enhancement in the competency of employees through training</li> <li>• Safety in the workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Improving energy efficiency</li> <li>• Optimizing the use of natural raw materials</li> <li>• Reducing waste from the production process</li> <li>• Continuously improving the efficiency of the production process</li> </ul>	<ul style="list-style-type: none"> <li>• Use of renewable energy from clean energy sources</li> <li>• Water management</li> <li>• 3R waste management</li> <li>• Air pollution management</li> <li>• GHG emission reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Respect for human rights</li> <li>• No involvement in illegal labor both slave labor and illegal fishing</li> <li>• Anti-corruption</li> <li>• Fair and transparent handling of complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with Laws and Code of Business Ethics.</li> <li>• Community Engagement and Development</li> <li>• Risk Management</li> <li>• Supply Chain Management</li> </ul>

## 3.2 Managing Impact on Stakeholders in the Business Value Chain

### 3.2.1 Business Value Chain

The Company's business activities are divided into two types: (1) primary activities, which are continuously connected activities according to the business context of the Company; and (2) support activities, which are related activities that support the main activities to achieve the goals. Both types of activities are related to stakeholders as follows:

#### 1. Main Activities

##### 1.1 Research and Development

The Company continuously researches and develops products by sharing information with customers on product development, market trends, and consumer demand trends in each area in order to directly respond to the needs of consumers and to make its business and customers sustainably grow together. In addition, the Company has set a target to generate income from new products, and the number of new products sold is an indicator of the performance of the Research and Development Department.

##### 1.2 Raw Material Sourcing

The Company selects quality and safe raw materials from raw material sources that do not contradict the guidelines for sustainable development and traceability. The quality of raw materials is tested during the selection process of distributors as well as the acceptance process of raw materials to ensure that the raw materials used in production are of quality and qualifications in accordance with the standards. Moreover, the Company also places importance on treating partners equally and fairly, considering good corporate governance and social and environmental responsibility, as well as the evaluation of partners to develop sustainable business operations between each other.

##### 1.3 Manufacturing Process

The Company uses resources in the production process to maximize the efficiency of the use of raw materials and the development of production processes to be more efficient through investment in technology and automatic machines. The Company also pays attention to product quality control by requiring quality control and inspection at all stages in order to obtain products that meet the specified standards. In this regard, the Company has passed the certification of production standards from various domestic and international agencies. This ensures that its products are safe and meet quality standards according to international standards. Furthermore, the Company places importance on the safety and working environment of its employees by providing the basic safety training necessary for the operation and the necessary equipment for working under different circumstances, including establishing adequate preventive measures for accidents in the workplace.

##### 1.4 Goods Distribution

The Company distributes goods by land transportation through the Company's own transportation operations and outsourcing in order to deliver the goods on time. The Company also considers the environmental impact; therefore, measures have been taken to manage pollution arising from the transportation process, which is applicable to the Company's transportation vehicles and the transportation operators employed by the Company.

##### 1.5 Distribution

The Company mainly sells products under the customer's trademark. It contacts customers through various channels, including direct contact with customers, sales through import and export agents, and sales through brokers. In addition, for products under the company's trademark, it distributes through various channels, covering both wholesale and retail sales, as well as sales to foreign countries. The Company treats all customers equally, and determines the price of each product appropriately in accordance with the principles of good corporate governance, and discloses information about products to customers in a complete, accurate, and adequate manner without concealing or distorting content.

##### 1.6 After-sales Service

To ensure the quality standards of the Company's products, the Company has a traceability system in place from the source of raw materials to the final consumers. Moreover, the Company pays attention to customer relationship management by conducting customer satisfaction surveys and providing channels for complaints about the quality of products for the development and improvement of its products and services.

#### 2. Support Activities

##### 2.1 Product and Service Process Development

The Company has a unit responsible for improving production efficiency, in particular production process analysis. The unit is constantly monitoring and studying information related to new machines or technologies that can be applied to the Company's production process to increase production efficiency.

##### 2.2 Human Resource Management

The Company treats all employees equally. It prioritizes fair employment and working conditions, determining appropriate remuneration and benefits that are comparable to other companies in the same industry, and having a fair and transparent performance evaluation system. The Company also strives to develop its employees through training or seminars to enhance their knowledge and ability to work and strengthen their confidence in performing their duties.

##### 2.3 Infrastructure

The Company has adopted the Enterprise Resource Planning (ERP) system to connect the work between departments so that the organization can work together in a systematic manner. This makes it possible to plan management and manage information more efficiently.





### 3.2.2 Analysis of Stakeholders in the Business Value Chain

The Company is aware of both direct and indirect impacts that may affect stakeholders in the value chain. The Company therefore places importance on maintaining relationships between the organization and stakeholders by promoting participation with nine groups of stakeholders, namely: (1) shareholders; (2) customers; (3) business partners; (4) creditors; (5) employees; (6) competitors; (7) society, community, and environment; (8) government agencies; and (9) independent and other organizations, through communication in various channels to explore the expectations and needs of stakeholders so that the Company can bring various issues to define key issues and plan to meet the expectations of stakeholders appropriately. The Company responds to the expectations of each group of stakeholders in different ways, as follows:

Group of Stakeholder	Communication and Channel	Stakeholders' Expectation	Response to Stakeholders' Expectation
Shareholders	<ul style="list-style-type: none"> <li>Annual Shareholders' Meeting</li> <li>Investor relations activities, such as analyst meetings, listed company meets investors activity, opportunities for shareholders and investors to visit the business and interviews</li> <li>Phone number, email, and company website</li> <li>Dissemination of news via the SET Portal system</li> </ul>	<ul style="list-style-type: none"> <li>Good performance</li> <li>Transparent operations</li> <li>Sustainable growth business</li> <li>Accurate and complete information disclosure</li> <li>Good image and social recognition</li> </ul>	<ul style="list-style-type: none"> <li>Formulate a strategic plan for both short- and long-term business operations (5 years)</li> <li>Formulate a sustainability strategic plan for sustainable growth</li> <li>Issue corporate governance policy, anti-corruption policy, disclosure policy, and use of internal information</li> <li>Arrange for the Investor Relations Team to meet quarterly to provide information and disseminate news</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Communicate with the R&amp;D team and develop products with customers</li> <li>Meet with customers when they inspect the factory or products</li> <li>Listen to opinions through company channels</li> <li>Sales negotiation of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Quality and safe products</li> <li>New products can be developed according to customer needs</li> <li>Ability to deliver goods on schedule</li> <li>The price of the product is reasonable and commercial loans are provided</li> <li>Discounts and promotions are provided</li> <li>Retention of customer's personal information</li> </ul>	<ul style="list-style-type: none"> <li>Certified quality system according to international standards</li> <li>Provide training to the R&amp;D team to continuously develop their potential and provide adequate resources</li> <li>Improve production efficiency by using more automated machines to reduce labor dependence and reduce production costs</li> <li>There are measures to prevent data leakage systematically</li> </ul>
Trading Partners	<ul style="list-style-type: none"> <li>Supplier Satisfaction Assessment Form</li> <li>Negotiation for purchase of goods and services</li> <li>Public hearing through various channels of the Company</li> </ul>	<ul style="list-style-type: none"> <li>Transparent, fair, and verifiable procurement</li> <li>Ability to sell products at high prices and obtain good profits</li> <li>Good and rapid payment system and financial stability</li> <li>Receipt of regularly purchase order and expand business scale</li> </ul>	<ul style="list-style-type: none"> <li>Have a policy to prevent conflicts of interest</li> <li>Implement anti-corruption policy</li> <li>Have responsible supply chain management</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Regular operational reports</li> </ul>	<ul style="list-style-type: none"> <li>Financial stability</li> <li>Compliance with the terms and conditions of the loan and debenture agreements</li> </ul>	<ul style="list-style-type: none"> <li>Strictly comply with the rules of financial institutions issued by government agencies</li> <li>Answer questions to credit analysis officers in case of doubts accurately and quickly</li> </ul>

Group of Stakeholder	Communication and Channel	Stakeholders' Expectation	Response to Stakeholders' Expectation
Employees	<ul style="list-style-type: none"> <li>• Opinion boxes</li> <li>• Voice calls</li> <li>• Internal electronic communications</li> <li>• Monthly and daily meetings</li> <li>• Public relations boards</li> </ul>	<ul style="list-style-type: none"> <li>• Good returns and benefits comparable to other companies in the same industry</li> <li>• Workplace Safety</li> <li>• Performance evaluation, promotion, and salary increment in a systematic, transparent and non-discriminatory manner</li> <li>• Listening to feedback from employees</li> <li>• Competency development programs, training, seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Improve salary structure, remuneration, and welfare to be comparable to the same business</li> <li>• Set training plans to develop employees' knowledge and abilities</li> <li>• Have a clear and transparent performance appraisal system</li> <li>• Improve the workplace and work processes to reduce the accident rate within the workplace</li> <li>• Establish safety measures in the workplace</li> <li>• Establish a safety committee (Kor Por Aor)</li> <li>• Set up a labor welfare committee</li> </ul>
Business Competitors	<ul style="list-style-type: none"> <li>• Follow competitors' news from external media</li> <li>• Join trade associations</li> </ul>	<ul style="list-style-type: none"> <li>• Provide market information that does not affect competitors</li> <li>• Collaborate to solve problems and develop the industry together</li> <li>• Operate business with transparency under fair trade and competition</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct business transparently within the framework of fair and lawful competition rules</li> <li>• Cooperate in expressing opinions and taking actions to develop and solve industry-related issues</li> </ul>
Society, Community, and Environment	<ul style="list-style-type: none"> <li>• Participate in activities with temples, schools and communities</li> <li>• Survey areas and prepare questionnaires on factory impacts with communities through meeting with community leaders, including attending meetings to listen to opinions periodically</li> <li>• Listen to opinions through various channels of the Company</li> </ul>	<ul style="list-style-type: none"> <li>• Support activities to develop the community both in terms of budget and dissemination of knowledge of the organization to people in the community</li> <li>• Encourage communities to earn income and gain career opportunities</li> <li>• Focus on the environment in the community</li> </ul>	<ul style="list-style-type: none"> <li>• Allocate budget and personnel to help or develop the community</li> <li>• Organize projects for people in the community to bring agricultural products to sell to employees in the factory to generate income</li> <li>• Strictly comply with environmental laws and there are remedial measures in case of impact on the community</li> </ul>
State Sector	<ul style="list-style-type: none"> <li>• Participate in activities, attend community meetings, seminars with government agencies, such as subdistrict administration organizations</li> <li>• Give opportunities to visit the factory</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the law</li> <li>• Cooperate with government agencies to provide accurate information to improve and develop in the right direction</li> <li>• Participate in expressing opinions and responding to government policies</li> </ul>	<ul style="list-style-type: none"> <li>• No illegal action</li> <li>• Cooperate with government agencies in visiting the factory and providing accurate and truthful information</li> <li>• Arrange for representatives to attend various government activities</li> </ul>
Independent and other organizations, such as non-profit organizations	<ul style="list-style-type: none"> <li>• Organize meetings</li> <li>• Factory visits</li> <li>• Discussions with employees or executive</li> </ul>	<ul style="list-style-type: none"> <li>• Strict compliance with labor laws</li> <li>• Employee safety</li> <li>• Equality in rights, freedom in the establishment</li> </ul>	<ul style="list-style-type: none"> <li>• No illegal action</li> <li>• Set up safety measures in the establishment</li> <li>• Set up a safety committee (Kor Por Aor)</li> <li>• Set up a labor welfare committee</li> </ul>



### 3.3 Sustainability Management in the Environmental Dimension

#### 3.3.1 Environmental Policy and Practices

As a result of its commitment to business development along with the creation of economic, social, and environmental balance, especially with regard to climate change issues, the Company has established an environmental policy with an emphasis on the conservation of the environment and natural resources as follows:

(1) Conducting business by using resources efficiently

The Company gives precedence to the development of work processes that maximize productivity while minimizing waste and pollution and aims to develop and improve production processes so that limited energy can be used in a cost-effective and efficient manner. The Company also communicates, educates, supports, and raises awareness of directors, executives, and employees at all levels of the organization to manage the use of available resources for the maximum benefit of the organization, as well as fostering continuous improvement of efficiency in all work processes, which is an important culture of the organization to maintain its business potential.

(2) Conducting business with environmental responsibility

The Company encourages strict compliance with laws related to environmental protection in its work processes for the safety of society, the community, and the environment. The Company operates the business with a standardized and well-controlled operating system. There is an environmental management process to reduce the impact on the environment and surrounding communities, cultivate awareness of social, community, and environmental responsibility among employees at all levels, and support the organization of activities that contribute to environmental conservation with external communities and organizations as appropriate.

At present, the Company has been certified as a Green Industry Level 3: Green Activity by the Department of Industrial Works, Ministry of Industry. This means that activities to reduce the impact on the environment have been accomplished according to the set commitment, and the Company strives to become a Green Industry Level 4: Green Culture. This means that everyone in the organization cooperates to operate in an environmentally friendly manner in all aspects of business operations until it becomes part of the culture in the organization by 2024.

#### 3.3.2 Environmental Performance

##### 1. Management to reduce greenhouse gas problems

The Company is aware of the problems and impacts of climate change, which is an important sustainability issue. It is also a global risk that may affect life, living, the environment, property, and business operations. The main causes of climate change are greenhouse gas emissions from industrial production processes, energy consumption, and transportation using fossil fuels. Therefore, the Company sets a goal to achieve carbon neutrality by 2030 and achieve the net zero emission target by 2050.

The Company has measured and reported greenhouse gas emissions annually (Scope 1: Direct GHG emissions from energy sources owned by the Company, which are caused by the Company's operating processes, and Scope 2: Indirect GHG emissions from energy purchases for use in the Company) since 2019, and significant sources of greenhouse gases within the business process have been reported to the Corporate Governance and Sustainability Committee for effective solutions, as well as considering ways to reduce the greenhouse gas emissions of the organization continuously.

The Company's projects for the reduction of greenhouse gas emissions can be divided into 2 major groups:

1. The project group uses energy from clean energy sources, for example, by installing solar panels on the roof of the factory to replace the electricity from the transmission line system, which is expected to reduce greenhouse gas emissions in Scope 2.
2. The wastewater treatment and waste disposal improvement project group monitors wastewater costs from the production process to find measures to reduce wastewater costs, which will help reduce greenhouse gas emissions. Scope 1 from the wastewater treatment.

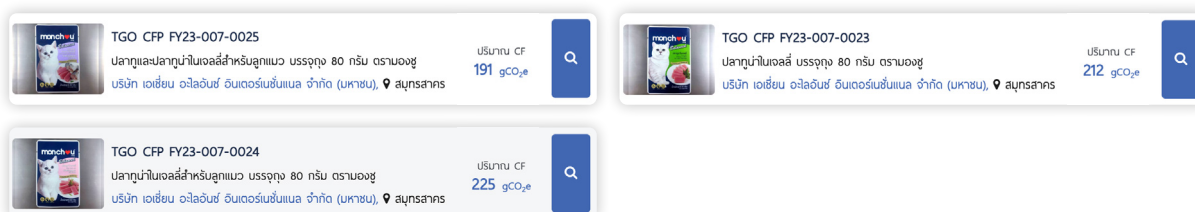
The Company is committed to studying and collecting enough information on the performance of various projects for consideration in determining the appropriate short-term goals in order to achieve concrete annual measurements in line with the established long-term goals. Initially, the Company expects to begin considering setting goals in each phase in 2023.

##### Greenhouse gas emissions for 2020–2022

Indicator	Unit	2020	2021	2022
<b>Greenhouse Gas Emissions</b>				
Greenhouse Gas Emissions, Scope 1	Ton of carbon dioxide equivalent	36,290.00	53,853.00	39,381.00
Greenhouse Gas Emissions, Scope 2	Ton of carbon dioxide equivalent	13,540.00	11,802.00	11,970.00
Greenhouse Gas Emissions, Scope 1 & 2	Ton of carbon dioxide equivalent	49,830.00	65,655.00	51,351.00
Intensity of Greenhouse Gas Emissions, Scope 1 & 2	Ton of carbon dioxide equivalent	1.52	1.70	1.23

The Company has always been committed to reducing greenhouse gas emissions. However, due to continuous production of increased quantities of products, the Company's greenhouse gas emissions have increased. In 2021, although the Company's Scope 1 greenhouse gas emissions have increased due to higher greenhouse gas emissions from wastewater treatment systems and industrial waste disposal. However, the Company's Scope 2 greenhouse gas emissions in 2021 decreased due to the use of electricity produced from solar panels on the roof of the factory to partially replace electricity from the transmission line system. While in 2022, the Company will have reduced the amount of greenhouse gas emissions in Scope 1 & 2 due to the improvement of the wastewater treatment system, the disposal of industrial waste, as well as the use of electricity produced from solar panels on the factory roofs.

In addition, in order to prepare for the case that customers of overseas companies may want to report carbon footprints for products hired by manufacturing companies in 2022, the Company has started to prepare carbon footprints for wet pet food products under the brand Monchou, which were already completed for 3 items as follows:



(<http://thaicarbonlabel.tgo.or.th/index.php?lang=TH&mod=Y0hKdlplVmpkSE5mWVhCd2NtOTJZV3c9&status=provinceby&keyword=%E0%B8%AA%E0%B8%A1%E0%B8%B8%E0%B8%97%E0%B8%A3%E0%B8%AA%E0%B8%B2%E0%B8%84%E0%B8%A3>)

## 2 Energy Management

The Company focuses on energy conservation and the most efficient use of energy. Thus, the Company has pushed the approach of switching to energy from clean, renewable sources. It aims for the Company's energy sources to come from clean energy sources at least 50% of the time by 2030. The Company started the project to generate electricity from solar energy through the installation of solar panels on the roof of the factory to replace the electricity from the transmission line system for the first time in 2020, which was completed in April 2021 and began supplying power in May 2021. In 2022, the Company implemented a project to improve the power system around the factory to be a renewable solar energy system instead of using electricity from the transmission line system. This causes the Company to have a proportionate amount of solar energy consumption, accounting for about 3% of total energy consumption.

In 2023, according to the plan, the Company will construct a second automated warehouse and build a factory building to expand its production capacity. Under the promotion of the Board of Directors, the two buildings will be equipped with solar panels on the roof to generate electricity instead of electricity from the transmission line system.

### Direct and Indirect Energy Consumption for the years 2020 – 2022

Indicator	Unit	2020	2021	2022
<b>Energy Management</b>				
Total energy consumption intensity	Gigajoule / Production Tons	12.62	11.19	11.82
Total energy consumption	Gigajoule	414,609.37	432,530.30	496,452.75
Total direct energy consumption	Gigajoule	351,841.22	378,106.29	442,042.57
Coal	Gigajoule	349,618.21	366,451.18	423,694.18
Natural gas	Gigajoule	-	-	-
Solar panel	Gigajoule	-	9,926.25	16,427.41
Others (specify gasoline and diesel)	Gigajoule	2,223.01	1,728.86	1,920.98
Total indirect energy consumption (electricity)	Gigajoule	64,991.16	56,152.87	54,410.18

## 3 Water Management

The Company focuses on effective water management by focusing on and promoting the use of water economically. This includes maximizing the benefits of water reuse as well as controlling and managing production-related effluent. In order not to affect the surrounding communities, the Company provides wastewater treatment using biological processes, removing contaminants from the wastewater until the quality meets the standards according to the Notification of the Ministry of Industry on Establishing Standards for Controlling the discharge of Wastewater from Factories B.E. 2560 (2017), and then it is released to the external environment, including the installation of a BOD online water quality analyzer that will report real-time results to the Department of Industrial Works continuously. There is a wastewater treatment system controller in the Repair and Maintenance Department that daily monitors water quality to check the values according to various measures affecting water disinfection, such as chlorine, pH, and total hardness. The water quality is also monitored on a monthly basis to meet drinking water standards and industrial water standards. There is a monthly inspection of wastewater treatment equipment by external agencies through an in-out water analysis to check the quality of the water to meet the standards of the Department of Industrial Works, Samut Sakhon Provincial Industrial Office, and the Marine Department.





In 2022, the Company invested in an additional wastewater treatment system that can support about 4,000 cubic meters of wastewater per day and treat about 1,500 cubic meters of wastewater per day. The treated water will be used to clean the toilet inside the factory. The project is expected to be operational in the first quarter of 2023.

#### Water consumption for the year 2020 – 2022

Indicator	Year			Changes between 2021 and 2022
	2020	2021	2022	
Water Consumption Intensity (cubic meters/ton Production)	20.78	25.02	25.30	1.12%
Water supply (cubic meters)	469,110.90	794,938.00	744,510.00	-6.14%
Groundwater (cubic meters)	213,619.70	173,244.80	317,801.50	83.44%
Recycled water (cubic meters)	147,341.10	156,995.62	161,193.00	2.99%

In 2022, the Company had a small increase in water intensity per ton of production compared to 2021, as it has increased the number of disinfection cabinets in the disinfection process, which is a process that requires a large amount of water compared to other production processes. Although the Company has circulated water used in the disinfection cabinet system, its amount of reused water has increased considerably because the Company has recently started collecting and circulating water in the disinfection cabinet system, while the water released from the Company's reusable treatment system is used for specific purposes, such as cleaning the factory floor.

#### 4 Using natural raw materials for maximum benefits

The Company is determined to expand its business under the concept of using natural resources for maximum use in the business process, from product design, production planning, production procedures, production methods, and waste management, in order to maximize the circulation and utilization of resources. In the process of tuna processing, the Company uses tuna meat, including scraps and blood, to produce wet pet food and ready-to-eat food in sealed containers. Fish heads, tails, bones, and guts are also used as raw materials for the production of fishmeal. The Company can also sell steam fish water and fish oil obtained from the processing process to customers for use in the production of other animal feeds. As a result, the Company has very little waste from fish raw materials in the production process.

In addition, the Company continuously researches and develops products to diversify its products through the use of various raw materials, such as chicken, beef, and lamb, as well as animal by-products, for example, offal and ribs. Not only does it help add value to such raw materials, but it also maximizes the use of the remaining raw materials.

#### By-product used to produce fishmeal.

2020	2021	2022
5,551 tons	5,135 tons	6,010 tons

#### 5 Garbage Management, Waste, and Pollution

##### (1) Garbage and Waste Disposal

The Company has implemented the concept of the 3Rs: Reduce (reduce use or use less as necessary), Reuse, and Recycle, which is believed to make the operation more efficient. It can reduce production costs and create a good image and feeling for customers, including a positive attitude and acceptance of the surrounding community.

Indicator	Unit	2020	2021	2022	Changes between 2021 and 2022
<b>Non-hazardous Waste Disposal</b>					
Reuse	Kilogram	-	-	7,235.25	-
Recycle	Kilogram	875,697.00	717,348.00	953,882.00	32.97%
Fermentation	Kilogram	408,760.00	334,940.00	272,030.00	-18.78%
Other disposal methods	Kilogram	1,756,160.00	1,926,400.00	1,849,680.00	-3.98%
<b>Total</b>	<b>Kilogram</b>	<b>3,040,617.00</b>	<b>2,978,688.00</b>	<b>3,082,827.25</b>	<b>3.50%</b>

Indicator	Unit	2020	2021	2022	Changes between 2021 and 2022
<b>Hazardous Waste Disposal</b>					
Reuse	Kilogram	-	-	-	-
Recycle	Kilogram	-	-	-	-
Fermentation	Kilogram	-	-	-	-
Other disposal methods	Kilogram	1,020.00	280.00	1,350.00	382.14%
<b>Total</b>	<b>Kilogram</b>	<b>1,020.00</b>	<b>280.00</b>	<b>1,350.00</b>	<b>382.14%</b>

## (2) Air pollution management

The Company pays attention to the quality of air released to the outside of the factory that may affect employees, as well as the community and environment surrounding the factory. The Company's operations may encounter problems with air pollution for two main reasons: pollution from fuel used and pollution from the transportation process, both as a transportation activity under the company's own operation and as a contractor. The Company has issued measures to manage air pollution as follows:

- Reduce air pollution, dust, and vapors (impurities) from fuel consumption and ensure that the air released to the outside of the factory does not affect employees, communities, or the surrounding environment. The factory is equipped with a Venturi Wet Scrubber system for the purpose of capturing dust and chemicals from boiler chimneys. A water injection system is equipped to clean the boiler chimney. The chimney is scheduled for cleaning at least twice a year. The monitoring measures are set by installing a PM2.5 dust measuring device at the chimney and measuring the amount of PM2.5 dust every month. The vacuum system is installed according to the screw conveyed back into the combustion chamber and a coal storage room with a water spray to trap dust.
- Issue regulations prohibiting parking with engines running in the Company's premises and forcing the transportation operators entering the business premises, either the Company's employed operators or the supplier's transportation vehicles, to be free of black smoke and to provide evidence of vehicle inspection in case of request.

In addition, the Company has hired external agencies to monitor the air quality that is discharged from the chimney according to the Notification of the Ministry of Industry B.E. 2549 (2006) on the Determination of the Quantity of Contaminants in the Air that is Discharged from the Factory and the Air Quality within the Factory according to the Notification of the Department of Labor Protection and Welfare B.E. 2560 (2017) on the Concentration Limit of Hazardous Chemicals every six months. In the past, the results of the Company's air quality inspection have been within the specified standard, and it has never received complaints about air pollution. The Company has set a target that the amount of PM2.5 dust released from the factory shall not exceed the standards set by the law.

## 3.4 Sustainability Management in the Social Dimension

### 3.4.1 Social Policy and Practices

The Company places importance on the implementation of good corporate governance practices as well as conducting its business in accordance with the Company's sustainable development policy, which covers environmental, social, and corporate governance aspects. In terms of social dimension and social responsibility, the Company sets out guidelines and has performed as follows:

#### 1) Fair Business Practices

The Company establishes guidelines for the treatment of stakeholders in the Code of Business Conduct, taking into account responsibilities to all groups of stakeholders. It also promotes free and fair competition and avoids actions that may cause conflicts of interest and intellectual property infringement, including anti-corruption of all kinds on the following topics:

##### 1.1) Corporate Governance

The Group is committed to conducting its business with integrity, fairness, transparency, disclosure of important information, and accountability. The Company has a policy to conduct its business according to ethical principles in order to ensure fairness to all stakeholders involved. The Company also uses the principles of good corporate governance as a guideline to maintain the balance of economic, community, social, and environmental operations.

##### 1.2) Social and Community Responsibility

The Company has a policy to conduct business in a way that is beneficial to the economy and society, adheres to good citizenship practices, and fully complies with all relevant laws and regulations. The Group is committed to developing, promoting, and enhancing the quality of life of society and the community by creating decent work, distributing income, and promoting knowledge in the community, including supporting the organization of activities and raising awareness of social responsibility in a tangible manner. Besides this, the Company will regularly monitor the surrounding community and society around its business location to determine the extent to which it is affected by the Company's business operations. It is also committed to contributing directly or indirectly to the improvement and development of the community and providing opportunities for stakeholders affected by the Company's business operations to communicate and provide suggestions or complaints through the channels provided by the Company.



### 1.3) Compliance with Laws, Rules, and Regulations

The Company places importance on compliance with laws and regulations relating to the environment, occupational health and safety, and business ethics. Directors, executives, and employees are required to conduct themselves within the framework of laws, rules, and regulations and shall not have any involvement in seeing, helping, or taking any action in violation of laws and other relevant rules and regulations.

### 1.4) Compliance with Intellectual Property Law

The Company does not support actions that violate intellectual property rights. Directors, executives, and employees shall act within the framework of laws, rules, and regulations and shall not have any involvement in seeing, helping, or taking any action in violation of laws, rules, or other rules related to intellectual property.

## 2) Conducting Business with Respect to Human Rights Principles

The Company pays great attention to labor issues. It has established strategies and guidelines for conducting business in accordance with the labor laws of the Department of Labor Protection and Welfare, Ministry of Labor. Currently, the Company has been certified to basic Thai labor standards, including the trade ethical standards for members of the Supplier Ethical Data Exchange (SEDEX). The Company now has been certified for four topics, covering labor, hygiene and safety, environment, and trade ethics, as well as the employment standards of the International Labour Organization (ILO). The Company has guidelines for conducting business with respect to human rights principles as follows:

### 2.1) Respect for human rights

The Group has a policy to support and respect the protection of human rights by treating all stakeholders, whether they are employees, communities, or surrounding societies, with respect for human dignity, equality, and equal freedom. It does not violate basic rights and does not discriminate on the grounds of race, nationality, religion, language, color, gender, age, education, physical condition, or social status. Furthermore, the Company also ensures that its business is not directly or indirectly involved in human rights violations, including child labor and forced labor.

### 2.2) Fair Treatment of Workers

The Group recognizes the importance of human resources development and fair treatment of workers as factors that will enhance the value of the business and enhance the competitiveness and sustainable growth of the Group in the future. The Company has established guidelines as follows:

- Respect the rights of employees based on human rights and comply with labor laws.
- Provide a fair employment process and working conditions, including pay determination and honest performance assessment and consideration.
- Promote the staff development by organizing training, holding seminars, or sending personnel to seminars and academic training in various areas to develop their knowledge, competence, and potential, including cultivating a good attitude, morality, ethics, and teamwork.
- Provide proper employee welfare, including that which is mandated by law and other benefits that may be necessary. for employees appropriately, including welfare as required by law and in addition to those prescribed by law as appropriate.
- Ensure safe and hygienic work practices in the workplace by providing preventive measures for accidents, and encouraging employees to have safety awareness, including training, and promoting good hygiene and maintaining a hygienic and safe workplace.
- Provide a channel for personnel to express their opinions or complaints about unfair practices or wrongful acts in the Company or its subsidiaries, as well as providing protection for personnel reporting such matters.

The Company treats Thai and migrant workers equally in terms of pay, leave, hygiene, and basic benefits, such as providing medical treatment, lockers for personal belongings, and canteens that sell food to employees at reasonable prices. In addition, there is preparation of a work safety manual in both Thai and Burmese, which outlines the details of safe work practices, how to behave in the event of an accident or an emergency, and factory layout, including orientation training in the basic course necessary for the operation so that employees can perform their work safely.

### 2.3) Anti-Corruption

The Company manages its business on the basis of transparency, ethics, adherence to corporate governance principles, and compliance with laws related to anti-corruption and giving or receiving bribes from government officials or the private sector. The Company has a specific anti-corruption policy to ensure that it is effective.

### 3) Responsible Business Operations for Customers and Consumers

The Company is committed to treating customers with responsibility, honesty, and care. The Company has established guidelines for treating customers as follows:

- Produce and sell products with high quality and safety standards to give customers maximum satisfaction.
- Provide accurate and sufficient information about products and services without distortion, vagueness, or exaggeration in order for customers to have accurate and sufficient information to make a decision.
- Respond to customer needs with speed and efficiency. Provide a system and channel for customers to complain about products and services conveniently and quickly, including preventing and solving problems for customers and using such information to improve or develop the products and services of the Group.
- Treat customers fairly and indiscriminately; keep customer information confidential, and do not use such information in the wrong way.

## 2 Social Performance

### 1) Employees and Labor

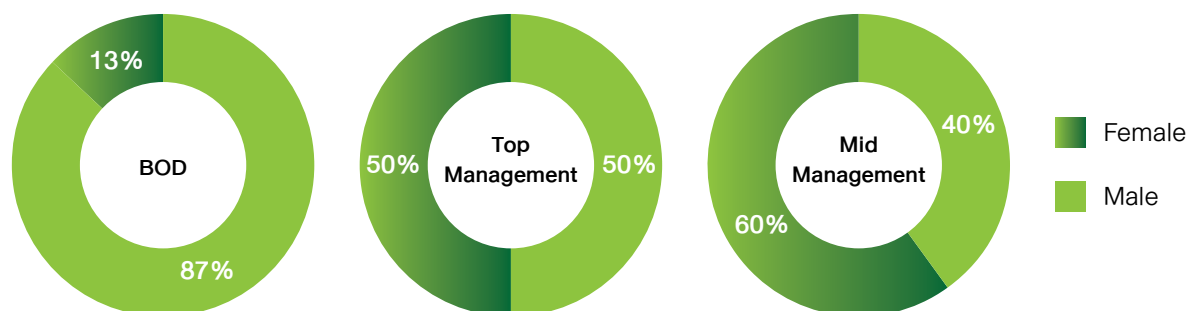
#### 1.1) Employment and fair remuneration

The Company has always paid attention to human rights issues, especially those related to the treatment of workers. In the past, the Company periodically reviewed its policy on respecting the law and human rights principles and issued policies on performance evaluation, promotion, and equal pay without dividing race, nationality, gender, or religion. The Company also signed a memorandum of understanding (MOU) on non-illegal fishing, non-purchase, import, export, and sale of aquatic animals, products derived from illegal fishing, illegal labor, and human trafficking between government agencies and fishery operators. In this regard, the Company aims to have no complaints on labor-related issues.

#### Number of Male and Female Employees as of December 31, 2022

Company	Number of Monthly Employees									Number of Daily Employees								
	2020			2021			2022			2020			2021			2022		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Asian Alliance International Public Company Limited.	209	305	514	231	347	578	251	369	620	1,148	1,636	2,784	1,367	1,937	3,304	1,619	2,397	4,016
Asian Pets Care Corporation Co., Ltd.	6	7	13	9	9	18	8	9	17	0	0	0	0	0	0	0	0	0
Thaiya Corporation (Shanghai) Co., Ltd.	5	4	9	24	10	34	10	8	18	0	0	0	0	0	0	0	0	0

#### Proportion of Male and Female Executives as of December 31, 2022



For performance appraisal, the Company has different performance evaluation systems according to the operational level as follows: (1) the operational level employees and supervisors have assessments based on performance and behavior; (2) the middle management has assessments based on KPIs, performance, and behavior; and (3) the top management has assessments based on KPIs. The annual evaluation results will be used to determine returns and promotions for the next year.

#### Promotion Rate for the Year 2022

Promotion Rate for the year 2022	Male employees	Female employees	Total
Promotion Rate (Percentage)	4.3	4.6	4.5





## 1.2) Employee Training and Development

The Company realizes that employees are an important factor and have great value for the success, progress, and stable growth of the Company. Therefore, the Company aims to enhance the competence of employees in both academic management and work culture under the human resource management policy that focuses on being a good and smart person, creating importance and value in employees according to the "AAI's" values. The Company establishes employee capacity development plans for monthly and daily employees, which require each employee to receive at least six hours of training per person in order to be consistent with the skill development plan of the Department of Labor Protection and Welfare. This includes both internal courses, which are basic courses necessary for the performance of the work by covering the Company's regulations, safety, and the management of quality systems, and external courses to increase the work potential by focusing on skills, expertise, and knowledge to further develop the work.

### Staff Training and Development in 2022

Level	Number of Trainees	Number of Training Courses Approved	Number of Courses Actually Trained	Proportion of Courses Actually Trained to Approved Courses (%)
Directors	6	7	3	42.86%
Executives	3	5	5	100.00%
Orientation for New Staff	1,636	-	-	100.00%
All Employees	4,287	78	71	91.03%

### Board of Directors and Executives Training in 2022

No.	Name-Surname	Position	Course	Institution
1	Mr. Suriya Prasatbuntitya	Director	DLCP: DIRECTOR LEADERSHIP CERTIFICATION PROGRAM	Thai Institute of Directors (IOD)
2	Mr. Hendrikus Van Westendorp	Director	DCP: DIRECTOR CERTIFICATION PROGRAM (ENG)	Thai Institute of Directors (IOD)
3	Mr. Aekarat Punnasung	Director	DLCP: DIRECTOR LEADERSHIP CERTIFICATION PROGRAM	Thai Institute of Directors (IOD)
4	Ms. Varanratch Assanupong	CFO / Company Secretary	DCP : DIRECTOR CERTIFICATION PROGRAME CSP : COMPANY SECRETARY PROGRAME	Thai Institute of Directors (IOD)
5	Mr. Bundit Pichetpongsa	Assistant Managing Director (Commercial)	CGE = CORPORATE GOVERNANCE FOR EXECUTIVES	Thai Institute of Directors (IOD)
6	Mrs. Sasiyada Wilaiphol	Assistant Managing Director (Operation)	CGE = CORPORATE GOVERNANCE FOR EXECUTIVES RCL : RISK MANAGEMENT PROGRAM FOR CORPORATE LEADERS	Thai Institute of Directors (IOD)

### 1.3) Safety, Occupational Health, and Working Environment

Safety of employees is an issue that the Company has always focused on and has taken steps to ensure safety at work. The Company has measures and work regulations on emergency measures and regulations for working in risky areas, such as working in confined spaces, working with hazardous substances, and working with dangerous machinery, including providing training for employees by experts and experienced supervisors so that employees know the necessary basic information. In addition, the Company collects accident data and investigates the cause to systematically formulate preventive measures. It aims to reduce the Injury Frequency Rate (IFR) and Injury Severity Rate (ISR) of employees by 50%. By 2022, the Company set the target to reduce IFR and ISR of employees to zero per million working hours and zero days per million working hours of employees, respectively. In the long run, the Company monitors the injury frequency rate and the injury severity rate of employees as a measure of its safety management.

#### Injury Frequency Rate and Injury Severity Rate for the Year 2020-2022

	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Injury Frequency Rate (IFR)	4.91	1.20	7.77	2.21	9.15	3.88
Injury Severity Rate (ISR)	16.70	11.51	38.41	7.23	26.51	9.31

In 2022, the frequency of injuries for males and females increased to 9.22 individuals and 3.88 per million working hours of employees, respectively. This is because employees did not comply with the Company's safety regulations, for example, by misusing tools or equipment or leaving washing machines on without turning them off. Such accidents were not major accidents. Employees did not have to stop working for a long time, resulting in a decrease in the severity of injuries for male employees while that of female employees was slightly higher.

Based on the above information, the Company has taken measures to investigate the causes and learn from deficiencies to improve the operation and control of the work to be more concentrated in order to prevent recurrence of accidents, including reporting accident information to senior management and the Occupational Health and Safety Committee.

Moreover, the Company also continuously organizes activities to promote safety within the workplace, such as fire evacuation drills, evacuation plan drills in case of ammonia leakage, participation in safety activities with government agencies and private organizations, as well as providing disease risk assessments related to operations related to chemicals, light, noise, and heat, annual health check-ups, and special examinations according to risks received by employees by occupational medicine specialists, and reporting results to the Provincial Department of Labor Protection and Welfare, as required by law. This includes the allocation of areas in which there is noise, and the Company will separate such area and install safety signs to warn of dangerous areas and provide personal protective equipment (PPE) to prevent noise for employees who are required to perform duties in such areas.

## 2) Customers

The Company always puts the customer first. The Company has accumulated trust and credibility from customers for a long time because the majority of the Company's customers own the brand and rely on the Company as a manufacturer of products to adequately meet the needs of the market. Being a reliable manufacturer and able to deliver quality and safe products to consumers is a key reason why the Company can grow with its potential customers on a global scale. It can be seen that in 2019–2022, the Company's products were not recalled from the market. The Company has been certified for food quality and safety standards equivalent to international standards by various agencies, both domestically and internationally. (Please refer to Section 1, Clause 1.2.2 Product Information, Topic of Quality Standards, and Certificates received by the Company.)

In addition, the production process must adhere to the traceability of products standard so that customers and end users may trust the Company's products. The products manufactured and sold by the Company can be traced back completely and rapidly in every step within the specified period with efficiency in both forward and backward traceability, as well as being traceable to the supplier of raw materials and packaging delivered to the Company. The traceability measures have been established by covering: (1) identification of raw materials, packaging, and products during the production process, finished products, materials, or products inconsistent with the standards, including reworked products, and delivery of all types of raw materials and packaging to the Group; (2) keeping a record of the indication and traceability; (3) determining the frequency of traceability tests at least once a year from raw materials and primary packaging to finished products and from finished products to raw materials and primary packaging; (4) determining the duration of traceability appropriate to the business type, industry standards, and customer needs; (5) a traceability exercise that must cover all production processes; (6) traceability exercise that must include the determination of mass balance to be within acceptable criteria, ranging from 95% to 105%.



### 3) Community and Society

In 2022, the Company participated in several social activities as follows:

1. The Company awarded scholarships to students at Secondary 6, the 3rd Year Vocational Certificate 3, and the 2nd Year High Vocational Certificate, who are graduating from 18 educational institutions in Samut Sakhon as an award of achievement and commitment to students, with a total of 100 scholarships totaling 1,000,000 baht. The criteria for selecting students to receive scholarships include having good behavior but poor status and using their efforts to find educational support until they can graduate from that level. The company is a representative of society and seeks to reward and encourage the youth's commitment and efforts. It is also a concrete testament to the youth, who will be an important force in the family, society, and country, that there are people who value young, determined people. It also specifies that grantees can use their funds for activities that are in their best interests without any obligation.



2. The Company provided a support to the Special Olympics Thailand worth 200,000 baht to organize a friendly football match called "Charity Match" between Muang Thong United Football Club and Bangkok United Football Club on Saturday, July 30, 2022, from 17.30 at Thunder Dome Stadium Muang Thong.



4. During the year 2022, the Company organized activities, in cooperation with nearby communities, in accordance with the festivals and donated its tuna products to communities, foundations, and victims worth more than 1,500,000 baht.

3. The Company has a policy to donate products under its brand to organizations caring for dogs or cats for charity. In 2022, the Company donated the pet food product branded "Pro" to the Handicapped Animal Shelter Foundation (Bang Len Branch).



5. The Company's management were invited as guest speakers in the 12th Mahidol University Student Leadership Online Training Program held on June 27, 2022, as representatives of SET ESG Expert in the project "SET ESG Expert Pool Class 1."



## 4. Management Discussion and Analysis

To read management discussion and analysis for the company financial position and performance, the investors should study financial information and consolidated financial statement that has been reviewed from the auditor, including financial notes. The financial data shown in this section is the data from the consolidated financial statement of the company. Financial ratios analysis presented below are using the figure from the consolidated statement of financial position for the year of the company.

### 4.1 Performance and Financial Position Analysis

#### 4.1.1 Operation Overview

Asian Alliance International Public Company Limited (the “Company” or “AAI”) and its subsidiaries (the “AAI Group”) is Thailand’s major original equipment manufacturers of pet food and shelf-stable human food. Currently, original equipment manufacture (OEM) business under clients’ brands generates the majority of revenue from pet food and human food sales. Most of sales revenue is generated by exporting products to overseas markets.

Since 2019, AAI Group has been developing its own pet food products for cats and dogs. Currently, the Company has a diverse portfolio of brands that span all market categories, including (1) pet food products aimed for the high-end market, notably “monchou” and Maria. (2) Pet food brands aimed for the mainstream market, such as “monchou balanced” and “Hajiko,” and (3) Pet food brands aimed at the low-end market, such as “Pro.”

AAI has changed its par value and increased its register capital on March 4<sup>th</sup>, 2022, according to the resolution of the 2022 Annual General Shareholders’ Meeting. The par value has been changed from THB 10.00 to THB 1.00. The company increased its register capital of 425 million shares to 2,125 million shares for the company initial public offering in October 2022 and be listed in the Stock Exchange of Thailand (SET) since November 1<sup>st</sup>, 2022.

#### Operating results of AAI Group for the year 2020 2021 and 2022

Unit: million baht	2022	%	2021	%	2020	%
Revenue from Sales & Services	7,124	100.0	4,985	100.0	4,512	100.0
Cost of sales & services	(5,709)	(80.1)	(3,931)	(78.5)	(3,729)	(82.6)
<b>Gross Profit</b>	<b>1,414</b>	<b>19.9</b>	<b>1,054</b>	<b>21.1</b>	<b>784</b>	<b>17.4</b>
Operating Expenses	(425)	(5.9)	(354)	(7.1)	(314)	(7.0)
<b>Operating Profit</b>	<b>990</b>	<b>13.9</b>	<b>716</b>	<b>14.4</b>	<b>470</b>	<b>10.4</b>
Other incomes	72	1.0	51	1.0	52	1.2
Gain/(Loss) on Exchange Rate	(44)	(0.6)	(42)	(0.8)	64	1.4
Other expenses	1	0.0	(2)	(0.0)	(3)	(0.1)
Finance income	4	0.1	14	0.3	24	0.5
Finance cost	(36)	(0.5)	(21)	(0.4)	(27)	(0.6)
<b>Profit before income tax expenses</b>	<b>985</b>	<b>13.9</b>	<b>716</b>	<b>14.4</b>	<b>580</b>	<b>12.9</b>
Income tax expenses	(126)	(1.8)	(77)	(1.6)	(25)	(0.6)
<b>Profit for the year</b>	<b>859</b>	<b>12.1</b>	<b>639</b>	<b>12.8</b>	<b>555</b>	<b>12.3</b>
<b>Earning per share</b>	<b>0.48</b>		<b>0.38</b>		<b>0.33</b>	

\*Note: the amount of shares used to calculate earning per share for the year 2020 and 2021 are 1,700 million shares. Meanwhile, the amount of shares in 2022 is weighted average number of ordinary shares which is 1,776.85 million shares





## Revenue from Sales &amp; Services

Product segments	For the year ended 31st December					
	2022		2021		2020	
	THB million	%	THB million	%	THB million	%
Pet food	6,009	84.3	4,087	82.0	3,330	73.9
Shelf-stable Human food	1,025	14.4	850	16.8	1,103	24.4
By-products	90	1.3	48	1.2	79	1.8
<b>Total Revenue from Sales &amp; Services</b>	<b>7,124</b>	<b>100.0</b>	<b>4,985</b>	<b>100.0</b>	<b>4,512</b>	<b>100.0</b>

Revenue from sales and services for the year 2022 was THB 7,124 million, increased by THB 2,138 million or 42.9 % compared to 2021, owing primarily to higher demand from the company customers who are brand owners. Pet food sales increased 46.2% due to strong demand for the whole year especially US market even it slowed down in the end of the 4th quarter of the year. Revenue from shelf-stable human food in 2022 was at THB 1,025 million, also increased THB 175 million or 20.6% compared to 2021, due to demand increased after Covid-19 had been relief and freight cost was lower. Middle east market is the main destination of the company shelf-stable human food products.

The company owned brand pet food revenues grew 57.8% YoY to THB 152 million for the year 2022 driven by more aggressive marketing strategy in Thailand. Brand awareness and sales revenues in domestic market of both “monchou” and “Hajiko” improved along with the introduction of brand’s presenters. However, more channel of distributions is planned to improve to attract more sales revenues in the future. The company owned brand pet food revenues growth in Thailand market, at the moment, is the key contributor to the Company to grow owned brand portion to 10% of total product portfolio as planned. “monchou” sales of “Thaiya” in China was not improved as covid-19 measurement enforced strongly still. More relaxing measurement in 2023 will bring in the opportunity to improve sales and distribution channel efficiently to drive more “monchou” sales.

Revenue from sales and services for the year 2021 was THB 4,985 million, increased by THB 473 million or 10.5 % compared to THB 4,512 million in 2020, mainly due to higher demand in pet food from all over the world. Pet Humanization trend, together with “work from home” caused of covid-19 pandemic, drove pet’s population and pet activities with its owners. The company pet food sales growth was 22.7%, even higher than industrial growth rate. Revenue from shelf-stable human food in 2021 decreased compared to 2020 due to lower demand pressured from high tuna and freight cost. Moreover, the company faced labor shortage from time to time from covid-19 pandemic, which impact all the manufacturing industry. Therefore, the company has been focused on manpower management to maximize its operation result, which the priority is, of course, pet food production lines, so that shelf-stable human food productivity was declined.

Revenue from sales and services for the year 2020 was THB 4,512 million, increased by THB 924 million or 25.7 % compared to the previous year, mainly due to 39.93% growth in pet food sales which was even higher than industrial growth rate. Revenue from shelf-stable human food in 2020 was at the same level compared to the previous year due to the company strategy to stabilize its shelf-stable human food sales and focus more on pet food growth. Therefore, the company could select the shelf-stable human food orders that in line with the company tuna cost and sell strategy at one particular time.

## Gross Profit

The gross profit for the year 2022 was at THB 1,414 million, THB 360 million increased YoY due to higher revenue from sales and services. The Company 2022 gross profit margin is at 19.9% compared to 21.1% last year. This year, gross profit margin declined as a result of higher direct labor and utilities cost even the company invested in automatic machines in order to reduce its labor intensive and increased efficiency all along.

The gross profit for the year 2021 was at THB 1,054 million, THB 270 million increased YoY. The Company 2021 gross profit margin is at 21.1% which increased YoY as a result of higher portion of pet food sales and lower average raw material cost per unit.

The gross profit for the year 2020 was at THB 784 million, THB 427 million increased YoY. The Company 2020 gross profit margin is at 17.4%, significantly increased from the previous year due to rapid growth in pet food portion including lower labor cost and lower tuna used as shelf-stable human food sales portion declined.

## Operating Expenses

Operating expenses was comprised of selling and distribution expenses and administrative expenses. Loss from exchange rate was not included.

In 2022, operating expenses, excluding exchange rate losses, reached THB 425 million, a 20.0% increase YoY mostly due to higher advertising and promotion expenses of “monchou” and “Hajiko”. Administrative expenses increased due to expenses of initial public offering and Listing in the Stock Exchange of Thailand (SET).

In 2021, operating expenses was THB 354 million, THB 40 million increased from 2020 mainly from selling and distribution expenses.

In 2020, operating expenses was THB 314 million, increased YoY due to higher commission and freight cost drove from higher export volumes. Allowance for obsolesces had been increased as well.

## Operating Profit

In 2022, the company operating profit was THB 990 million, THB 274 million increased due to the company’s total revenue which partly offset by lower gross profit margin compared to the previous year. The company operating expenses increased at the lower rate compare to revenue growth.

In 2021, the company operating profit was THB 716 million, THB 246 million increased from 2020 due to revenue growth and higher gross profit margin. Operating profit of 2020 also increased THB 470 million from the previous year from revenue and gross profit growth.

## Finance Cost

In 2022, the company net finance cost was at THB 33 million, THB 26 million increased from 2021 due to more short-term loans and lower finance income. Meanwhile, 2021 and 2020 net finance cost was at THB 7 million and THB 3 million respectively due to as high finance income as THB 24 million in 2020 and lower continuously as there were no longer cash pooling between the company and ASIAN during the period of 2021.

## Income Tax Expenses

In 2022, the company income tax expenses were at THB 126 million, THB 48 million increased from 2021 owing to the used-up BOI even newly BOI privileges had been started at the end of 2022.

In 2021, the company income tax expenses were at THB 77 million, THB 53 million higher than 2020, due to higher operating profit which partly received BOI privileges. Meanwhile, the company income tax expenses were as low as THB 25 million due to more BOI privileges applied.

## Net Profit

Net profit for the year 2022, 2021 and 2020 were at THB 859 million, THB 639 million, and THB 555 million respectively. The company net profit margin was 12.1, 12.8 and 12.3 respectively. The company earning per share was at THB 0.48, THB 0.38 and THB 0.33 (the amount of shares used to calculate earning per share for the year 2020 and 2021 are 1,700 million shares. Meanwhile, the amount of shares in 2022 is weighted average number of ordinary shares which is 1,776.85 million shares so that the earning per share will be comparable.)



## Statement of Financial Position

Unit: THB million	2022	%	2021	%	2020	%
Cash and cash equivalent	1,508	24.8	46	1.3	83	2.3
Trade and other receivables	981	16.1	607	16.8	513	14.4
Inventories	1,754	28.9	1,630	45.2	1,067	30.0
Other current assets	232	3.8	86	2.4	836	23.5
<b>Total current assets</b>	<b>4,476</b>	<b>73.6</b>	<b>2,368</b>	<b>65.7</b>	<b>2,500</b>	<b>70.1</b>
Restricted bank deposit	0	0.0	19	0.5	19	0.5
Investments	34	0.6	41	1.1	42	1.2
Long term Loan	18	0.3	18	0.5	13	0.4
Fixed assets	1,353	22.3	1,077	29.9	907	25.5
Other non-current assets	198	3.3	83	2.3	82	2.3
<b>Total non-current assets</b>	<b>1,604</b>	<b>26.4</b>	<b>1,238</b>	<b>34.3</b>	<b>1,064</b>	<b>29.9</b>
<b>Total Assets</b>	<b>6,080</b>	<b>100.0</b>	<b>3,606</b>	<b>100.0</b>	<b>3,564</b>	<b>100.0</b>
Bank overdraft and short-term loans	0	0.0	496	13.7	251	7.0
Trade and other payables	492	8.1	517	14.3	392	11.0
Current portion of long-term loans	70	1.2	75	2.1	100	2.8
Other current liabilities	71	1.2	93	2.6	38	1.1
<b>Total current liabilities</b>	<b>633</b>	<b>10.4</b>	<b>1,181</b>	<b>32.8</b>	<b>781</b>	<b>21.9</b>
Long term Loan	200	3.3	0	0.0	75	2.1
Other non-current liabilities	214	3.5	49	1.4	52	1.5
<b>Total non current liabilities</b>	<b>414</b>	<b>6.8</b>	<b>49</b>	<b>1.4</b>	<b>127</b>	<b>3.6</b>
<b>Total Liabilities</b>	<b>1,046</b>	<b>17.2</b>	<b>1,230</b>	<b>34.1</b>	<b>908</b>	<b>25.5</b>
<b>Total shareholders' equity</b>	<b>5,034</b>	<b>82.8</b>	<b>2,376</b>	<b>65.9</b>	<b>2,656</b>	<b>74.5</b>
<b>Total Liabilities and Equity</b>	<b>6,080</b>	<b>100.0</b>	<b>3,606</b>	<b>100.0</b>	<b>3,564</b>	<b>100.0</b>

## Assets

In 2022, the company total assets increased by THB 2,473 million, or 68.6%, from THB 3,606 million in 2021 to THB 6,080 million in 2022. Cash on hand increased THB 1,462 million as the company received cash from initial public offering. Meanwhile, Total trade and other receivables and inventories increased by THB 374 million and THB 125 million respectively due to sales growth. Other current assets increased by THB 146 million, THB 110 million of those is financial assets.

Property, plant, and equipment totaled THB 1,353 million at the end of 2022, THB 276 million or 25.6% increased from the end of 2021, due mostly to investments in innovative wet petfood (pouch) and improved building. Other non-current assets increased mainly from higher Right of used of THB 125 million.

In 2021, the company total assets was at THB 3,606 million, slightly increased compared to 2020. Inventories increased by THB 563 million to support pet food sales growth. Property, plant, and equipment increased THB 170 million due mostly to investments in innovative wet petfood and efficiency improvement in the factory. and improved building. Other non-current assets increased mainly from higher Right of used of THB 125 million

In 2020, the company total assets was at THB 3,564 million at the end of period, THB 643 million increased compared to the previous year mainly due to THB 413 increased in loan to related company and THB 150 million increased in Trade receivables.

## Liabilities

The total liabilities of the company were THB 1,046 million at the end of 2022, decreased by THB 184 million from THB 1,230 million at the end of 2021 due to short-term repay using cash from initial public offering which partly offset with long-term increased by THB 200 million. Lease liabilities increased by THB 141 million as changing in land rent agreement.

In 2021, the company total liabilities were at THB 1,230 million, increased by THB 322 million compared to 2020 due to THB 245 million increase in short-term loan and THB 125 million increase of Trade liabilities. Long-term loan decreased from THB 175 million to THB 75 million due to long-term loan repay as scheduled.

On 31<sup>st</sup> December 2020, the company total liabilities were at THB 908 million, THB 107 million decreased compared to the year before due to long-term repay as scheduled, THB 100 million has been repay to the creditors and the other THB 156 millions has been repay to ASIAN. Short-term loan increased by THB 59 million and lease liabilities increased by THB 55 million.

## Shareholders' Equity

As of 31<sup>st</sup> December 2022, shareholders' equity of the company increased to THB 5,034 million, an increase of THB 2,657 million from the end of 2021, owing to THB 1,890 million share premium from IPO and net profit for the year, but offset by dividend paid of THB 512 million.

As of 31<sup>st</sup> December 2021, shareholders' equity of the company increased by THB 42 million to THB 3,606 million, due to net profit for the year which partly offset by dividend paid of THB 791 million.

As of 31<sup>st</sup> December 2020, shareholders' equity of the company increased by THB 750 million from 2019 to THB 2,656 million due to net profit for the year and THB 190 million subsidiary capital increase before pet food business restructuring.

## Liquidity

### Cash flow

Unit : THB million	2022	2021	2020
Net cash used in operating activities	407	268	622
Net cash used in investing activities	(415)	(428)	(588)
Net cash from financing activities	1,473	120	(26)

As of 31<sup>st</sup> December 2022, the company's cash on hand increased THB 1,462 million from the end of 2021. Cash on hand of 2021 decreased THB 37 million from the end of 2020. And cash on hand on 2020 increased THB 11 million from 2019.

The company used its cash from operation activities carefully to maximize benefit in term of investing in capacity expansion and improving efficiency. Those used were in line with the company growth including repay debt on timely basis. The company has cash on hand policy which will consider appropriate cash on hand according to situation.

### Cash increased in 2022 comprised of:

#### 1. Cash from operating activities

In 2022, the company had THB 407 million cash received from operating activities. None-cash transaction that were adjusted are depreciation and amortization of THB 174 million, unrealize gain from exchange rate of THB 102 million, finance cost of THB 33 million and others of THB 33 million. Then, cash received from operating activities before change of working capital was at THB 1,122 million. Operating assets increased by THB 587 million mainly was THB 407 million increase in trade receivables and THB 142 million increase in inventories. Operating liabilities increased slightly by THB 8 million. There were THB 35 million interest paid and THB 101 million tax payment.

#### 2. Cash used in investing activities.

There were THB 439 million invested in capacity expansion for pet food products as well as machines and equipment to continuously improve production efficiency to accommodate the continuous increase in orders from brand-owner customers. There was THB 19 million cash received from collateral removal and THB 5 million received from JV paying back loan. Then, net cash used in investing activities were at THB 915 million.



### 3. Cash received from financing activities.

In 2022, THB 2,354 million cash received from initial public offering in late October 2022 and THB 270 million long-term loan principle received which were used in capacity expansion. In the meantime, THB 496 million short-term loan has been paid according to use of IPO proceed in IPO filing. There were THB 55 million expenses due to IPO. Moreover, THB 75 million were paid to repay long-term loan and THB 13 million was loan principle repay. Dividend pay out was at THB 512 million. Therefore, net cash received from financial activities for the period was at THB 1,473 million.

#### Cash increased in 2021 comprised of:

##### 1. Cash from operating activities

In 2021, the company had THB 268 million cash received from operating activities. None-cash transaction that were adjusted are depreciation and amortization of THB 154 million, unrealize loss from exchange rate of THB 33 million and finance cost of THB 7 million. Then, cash received from operating activities before change of working capital was at THB 910 million. Operating assets increased by THB 701 million mainly was THB 554 million increase in inventories and THB 97 million increase in trade receivables. Operating liabilities increased by THB 108 million mainly was THB 101 million increase in trade liabilities. There were THB 5 million interest paid and THB 45 million tax payment.

##### 2. Cash used in investing activities.

There were THB 297 million invested in capacity expansion for pet food products as well as machines and equipment. There was THB 131 million cash lent to related party. Then, net cash used in investing activities were at THB 428 million.

##### 3. Cash received from financing activities.

In 2021, THB 242 million short-term loan received to support the company working capital and THB 100 million were paid to repay long-term loan and THB 22 million was loan principle repay. Therefore, net cash received from financial activities for the period was at THB 120 million.

#### Cash increased in 2020 comprised of:

##### 1. Cash from operating activities

In 2020, the company had THB 622 million cash received from operating activities. None-cash transaction that were adjusted are depreciation and amortization of THB 147 million, unrealize gain from exchange rate of THB 8 million and finance cost of THB 3 million. Then, cash received from operating activities before change of working capital was at THB 719 million. Operating assets increased by THB 192 million mainly was THB 153 million increase in trade receivables and THB 36 million increase in inventories. Operating liabilities increased by THB 100 million, most of those was trade liabilities. There were THB 5 million interest paid.

##### 2. Cash used in investing activities.

There were THB 175 million invested in capacity expansion for pet food products in 2020 and another THB 175 million in machines. There was THB 413 million cash lent to related party. Then, net cash used in investing activities were at THB 588 million.

##### 3. Cash received from financing activities.

In 2020, THB 93 million short-term loan has been paid and THB 100 million were paid to repay long-term loan and THB 23 million loan principle repay. There was THB 190 million received from subsidiary capital increase. Therefore, net cash used in financial activities for the period was at THB 26 million.



## Financial Ratios

		2020	2021	2022
<b>Liquidity ratios</b>				
Current ratio	time	3.2	2.0	7.1
Quick ratio	time	0.8	0.6	3.9
Account receivable turnover ratio	time	10.3	8.9	9.0
Average debt collection period	days	35.4	41.0	40.7
Account payable turnover ratio	time	10.0	8.7	11.3
Average debt repayment	days	36.7	42.2	32.3
Inventory turnover ratio	time	3.5	2.9	3.4
Average inventory days	days	104.5	125.2	108.2
Cash Cycle	days	103.3	124.0	116.6
<b>Profitability ratios</b>				
Gross profit margin	%	17.4	21.1	19.9
Net profit margin	%	12.3	12.8	12.1
Return on Equity	%	21.7	26.9	17.1
<b>Efficiency ratios</b>				
Return of Assets	%	18.1	20.2	21.0
Return on fixed assets	%	55.4	63.0	71.6
Assets turnover ratio	time	1.4	1.4	1.5
<b>Leverage Ratios</b>				
Debt to Equity ratio	time	0.4	0.5	0.2
Net debt to Equity ratio	time	0.1	0.2	(0.3)
Interest coverage ratio	time	21.7	34.9	28.1

### Liquidity Ratios

As of 31<sup>st</sup> December 2020, 2021 and 2022, the company current ratios was at 3.2, 2.0 and 7.1 times. The significantly high current ratio in 2022 was owing to cash received from IPO on late October 2022 which have to save for investment as planned and indicate in filling document. Quick ratios also increased from 0.8 times and 0.6 times in 2020 and 2021 respectively to 3.9 times in 2022. Moreover, the company current liabilities decreased due to short-term loan repay during the period. Current asset of the company mainly was cash on hand, trade receivables, and inventories. Current liabilities mostly were short-term loans from financial institution, trade liabilities, and short term portion of long-term loan except in 2022 which short-term loan has been pay off.

By the end of 2020, 2021 and 2022, the company debt collection period was at 35.4, 41.0 and 40.7 days respectively, the increase owing to credit customer sales growth. Inventories days were at 104.5, 125.2, and 108.2 days respectively. The improvement in 2022 due to the fact that lead-time improve along as operation and international logistic improvement.

### Leverage Ratios

As the operating result of the company improve continuously, the company interest coverage ratios of 2020, 2021 and 2022 was 21.7, 34.9 and 28.1 times respectively. 2021 interest coverage ratio improve significantly owing to rapid increase in operating result. In 2022 interest coverage dropped as short-term loan during the period increased due to working capital needed increased along with sales growth.

Debt to Equity ratio of the company was low and even dropped to 0.2 times at the end of 2022 due to the fact that the company paid off its short-term loans using part of cash received from IPO.



## Bank's Covenants

The company long-term agreements in 2022, as bank's covenants, the company need to maintain its debt to equity ratio to not exceed 2.0 times and if debt services coverage ratios was lower than 1.2 times, the company will not be able to pay dividend or any other benefit to its shareholders. In 2022, the company has been able to maintain covenants as request.

## Statement of Comprehensive Income (THB million)

Profit or loss:	2020	2021	2022	2020	2021	2022
Revenue						
<b>Revenue from Sales &amp; Services</b>	<b>4,512.1</b>	<b>4,985.5</b>	<b>7,123.5</b>	<b>97.5%</b>	<b>99.0%</b>	<b>99.0%</b>
Other incomes	116.4	50.9	71.9	2.5%	1.0%	1.0%
Total Revenue	4,628.5	5,036.4	7,195.4	100.0%	100.0%	100.0%
Expenses						
Cost of sales & services	3,728.5	3,931.8	5,709.1	80.6%	78.1%	79.3%
Selling and Distribution Expenses	134.2	182.1	230.5	2.9%	3.6%	3.2%
Administration Expenses	179.4	197.5	238.8	3.9%	3.9%	3.3%
Total Expenses	4,042.2	4,311.4	6,178.4	87.3%	85.6%	85.9%
Operating Profit	586.3	725.0	1,017.0	12.7%	14.4%	14.1%
Share of loss from Joint ventures	(2.3)	(2.8)	(0.7)	(0.0%)	(0.1%)	(0.0%)
Share of profit from associate	(0.7)	0.9	1.2	(0.0%)	0.0%	0.0%
Finance income	23.8	14.0	3.7	0.5%	0.3%	0.1%
Finance cost	(27.0)	(20.8)	(36.2)	(0.6%)	(0.4%)	(0.5%)
Profit before income tax expenses	580.1	716.4	984.9	12.5%	14.2%	13.7%
Income tax expenses	(24.9)	(77.4)	(125.8)	(0.5%)	(1.5%)	(1.7%)
Profit for the year	555.2	639.0	859.1	12.0%	12.7%	11.9%

## Other comprehensive Income:

Other comprehensive income to be reclassified to profit or loss in subsequent periods

Exchange differences on translation of financial statements in foreign currency	5.1	7.3	(4.8)
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Other comprehensive income to be reclassified to profit or loss in subsequent periods	5.1	7.3	(4.8)
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Other comprehensive income not to be reclassified to profit or loss in subsequent periods

Actuarial loss			
- net of income tax	0.0	(4.7)	(0.2)

Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
- net of income tax	0.0	(4.7)	(0.2)

Other comprehensive income for the year	5.1	2.6	(5.0)
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Total comprehensive income for the year	560.3	641.6	854.1
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**Profit attributable to**

Equity holders of the company	599.5	653.0	859.1
Former shareholder's equity before business restructuring	(44.3)	(14.0)	0.0
	555.2	639.0	859.1

**Total comprehensive income attributable to**

Equity holders of the Company	599.5	652.8	854.1
Former shareholder's equity before business restructuring	(39.2)	(11.1)	0.0
	560.3	641.6	854.1

**Earning per share**

**3.53      0.38      0.48**

**Statement of Financial Position (THB million)**

Assets	2020	2021	2022	2020	2021	2022
<b>Current Assets</b>						
Cash and Cash equivalent	82.8	45.9	1,507.8	2.3%	1.3%	24.8%
Trade and other receivables	513.1	606.8	981.1	14.4%	16.8%	16.1%
Short-term loans to related party	790.3	0.0	0.0	22.2%	0.0%	0.0%
Inventories	1,067.5	1,629.5	1,754.4	30.0%	45.2%	28.9%
Other current financial assets	9.3	0.0	109.9	0.3%	0.0%	1.8%
Other current assets	36.9	86.1	122.6	1.0%	2.4%	2.0%
<b>Total current assets</b>	<b>2,499.8</b>	<b>2,368.4</b>	<b>4,475.7</b>	<b>70.1%</b>	<b>65.7%</b>	<b>73.6%</b>
<b>Non-current Assets</b>						
Restricted bank deposit	18.5	18.6	0.0	0.5%	0.5%	0.0%
Investment in subsidiary	0.0	0.0	0.0	0.0%	0.0%	0.0%
Investment in joint ventures	42.5	40.5	34.2	1.2%	1.1%	0.6%
Investment in associate	0.0	0.0	0.0	0.0%	0.0%	0.0%
Loans to joint ventures	11.8	15.8	14.5	0.3%	0.4%	0.2%
Loans to associate	1.5	2.4	3.7	0.0%	0.1%	0.1%
Plants and Equipment	907.1	1,077.3	1,353.4	25.5%	29.9%	22.3%
Right-of-used assets	55.2	43.6	168.7	1.5%	1.2%	2.8%
Intangible assets	15.3	16.6	16.7	0.4%	0.5%	0.3%
Deferred tax assets	8.6	1.8	0.1	0.2%	0.1%	0.0%
Other non-current assets	3.3	21.4	12.8	0.1%	0.6%	0.2%
<b>Total non-current assets</b>	<b>1,063.9</b>	<b>1,238.1</b>	<b>1,603.9</b>	<b>29.9%</b>	<b>34.3%</b>	<b>26.4%</b>
<b>Total Assets</b>	<b>3,563.7</b>	<b>3,606.4</b>	<b>6,079.7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



Liabilities and Shareholders' equity	2020	2021	2022	2020	2021	2022
<b>Current liabilities</b>						
Bank overdraft and short-term loans	250.8	495.7	0.0	7.0%	13.7%	0.0%
Trade and other payables	391.9	517.1	491.8	11.0%	14.3%	8.1%
Current portion of long-term loans	99.7	74.9	70.0	2.8%	2.1%	1.2%
Current portion of lease liabilities	20.9	22.8	12.7	0.6%	0.6%	0.2%
Income tax payable	0.0	24.9	16.9	0.0%	0.7%	0.3%
Other current financial liabilities	0.0	23.5	0.0	0.0%	0.7%	0.0%
Other current liabilities	14.4	22.2	41.1	0.4%	0.6%	0.7%
<b>Total current liabilities</b>	<b>780.7</b>	<b>1,181.2</b>	<b>632.5</b>	<b>21.9%</b>	<b>32.8%</b>	<b>10.4%</b>
<b>Non-current liabilities</b>				<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Long-term loans	74.9	0.0	200.0	2.1%	0.0%	3.3%
Lease liabilities	34.5	21.3	162.4	1.0%	0.6%	2.7%
Provision for long-term employee benefits	17.5	27.4	30.8	0.5%	0.8%	0.5%
Deferred tax liabilities	0.0	0.0	20.4	0.0%	0.0%	0.3%
<b>Total non-current liabilities</b>	<b>126.9</b>	<b>48.7</b>	<b>413.6</b>	<b>3.6%</b>	<b>1.4%</b>	<b>6.8%</b>
<b>Total liabilities</b>	<b>907.5</b>	<b>1,229.9</b>	<b>1,046.1</b>	<b>25.5%</b>	<b>34.1%</b>	<b>17.2%</b>
<b>Shareholders' equity</b>						
<b>Share capital registered</b>						
2,125,000,000 ordinary shares of Baht 1 each (2021: 170,000,000 ordinary shares of Baht 10 each)	1,700.0	1,700.0	2,125.0	47.7%	47.1%	35.0%
<b>Issued and paid up</b>						
2,125,000,000 ordinary shares of Baht 1 each (2021: 170,000,000 ordinary shares of Baht 10 each)	1,700.0	1,700.0	2,125.0	47.7%	47.1%	35.0%
Share premium	0.0	0.0	1,890.0	0.0%	0.0%	31.1%
Deficit on business combination under common control	0.0	(50.5)	(50.5)	0.0%	(1.4%)	(0.8%)
<b>Retain earning</b>						
Appropriated-statutory reserve	0.0	43.0	123.2	0.0%	1.2%	2.0%
Unappropriated	859.6	674.4	941.1	24.1%	18.7%	15.5%
Other component of shareholders' equity	0.0	9.6	4.8	0.0%	0.3%	0.1%
<b>Total shareholders equity</b>	<b>2,559.6</b>	<b>2,376.5</b>	<b>5,033.5</b>	<b>71.8%</b>	<b>65.9%</b>	<b>82.8%</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,563.7</b>	<b>3,606.4</b>	<b>6,079.7</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Cash Flow Statement (THB million)

Cash flow from operating activities	2020	2021	2022	2020	2021	2022
Profit before tax	580.1	716.4	984.9			
<b>Adjustments to reconcile profit before tax to net cash</b>						
<b>provide by (paid from) operating activities</b>						
Depreciation & Amortisation	146.6	153.6	173.6	24%	57%	43%
Allowance for expected credit losses	(38.0)	1.5	3.9	(6%)	1%	1%
Reduction of cost of inventories to net realisable value (reversal)	(8.2)	(7.9)	17.0	(1%)	(3%)	4%
Withholding income tax written-off	0.1	0.2	0.0	0%	0%	0%
Loss (gain) on sale/written-off of plant and equipment	2.6	(0.5)	3.4	0%	(0%)	1%
Bad debts written-off	38.0	0.0	0.0	6%	0%	0%
Loss on written-off intangible assets	0.0	0.0	0.9	0%	0%	0%
Gain on cancellation of lease contract	0.0	0.0	(0.2)	0%	0%	(0%)
Long-term employee benefit expenses	2.8	4.8	3.4	0%	2%	1%
Unrealised loss on exchange rate	(3.2)	0.7	31.3	(1%)	0%	8%
Unrealised (gain) loss on forward foreign exchange contracts	(8.3)	32.8	(133.3)	(1%)	12%	(33%)
Share-based payment expenses	0.0	0.0	4.9	0%	0%	1%
Share of loss from joint ventures	2.3	2.8	0.7	0%	1%	0%
Share of profit from associate	0.7	(0.9)	(1.2)	0%	(0%)	(0%)
Finance income	(23.8)	(14.0)	(3.7)	(4%)	(5%)	(1%)
Finance cost	27.0	20.8	36.2	4%	8%	9%
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>718.7</b>	<b>910.2</b>	<b>1,121.9</b>	<b>116%</b>	<b>340%</b>	<b>276%</b>
Operating assets (increase) decrease						
Trade and other receivables	(153.1)	(96.7)	(406.9)	(25%)	(36%)	(100%)
Inventories	(36.0)	(554.2)	(141.9)	(6%)	(207%)	(35%)
Other current assets	(4.2)	(49.2)	(36.5)	(1%)	(18%)	(9%)
Other non-current assets	1.1	(1.2)	(1.4)	0%	(0%)	(0%)
Operating liabilities increase (decrease)						
Trade and other payables	104.6	100.8	(10.8)	17%	38%	(3%)
Other current liabilities	(3.2)	7.8	18.9	(1%)	3%	5%
Cash paid for long-term employee benefits	(0.8)	(0.7)	(0.2)	(0%)	(0%)	(0%)
Cash from operating activities	627.2	316.7	543.0	101%	118%	133%
Interest received	22.2	15.9	1.3	4%	6%	0%
Interest paid	(27.3)	(20.5)	(36.4)	(4%)	(8%)	(9%)
Income tax net paid	(0.2)	(44.5)	(100.7)	(0%)	(17%)	(25%)
<b>Net cash used in operating activities</b>	<b>621.8</b>	<b>267.6</b>	<b>407.2</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>





Cash flow from investing activities	2020	2021	2022
Decrease in restricted bank deposits	0.0	0.0	18.6
Cash payments for building construction and acquisitions of equipment	(171.5)	(277.0)	(429.8)
Cash payments for deposits of machinery	0.0	(17.1)	(7.1)
Cash payments for acquisitions of computer software	(4.1)	(2.7)	(2.5)
Proceeds from sales of equipment	5.9	0.6	0.5
Increase in short-term loans to related parties	(413.3)	(131.0)	0.0
Cash payment for long-term loans to joint venture	(3.1)	(0.4)	(0.2)
Cash received from repayment of long-term loans to joint venture	0.0	0.0	5.5
Increase in loan to associate	(1.6)	0.0	0.0
<b>Net cash used in investing activities</b>	<b>(587.6)</b>	<b>(427.7)</b>	<b>(414.9)</b>

2020	2021	2022
0%	0%	(4%)
29%	65%	104%
0%	4%	2%
1%	1%	1%
(1%)	(0%)	(0%)
70%	31%	0%
1%	0%	0%
0%	0%	(1%)
0%	0%	0%
<b>100%</b>	<b>100%</b>	<b>100%</b>

Cash flow from financing activities	2020	2021	2022
(Decrease) increase in short-term loans from banks	62.6	245.0	(495.7)
Decrease in short-term loans from related party	(156.0)	(3.0)	0.0
Repayment of long-term loan	(100.0)	(100.0)	(75.1)
Cash received from long-term loan	0.0	0.0	270.0
Payment of principal of lease liabilities	(23.1)	(21.9)	(13.4)
Cash received from share capital increase	190.0	0.0	2,353.8
Cash payment for direct costs related to the share offering	0.0	0.0	(54.7)
Dividend paid	0.0	(0.0)	(512.1)
<b>Net cash flows from financing activities</b>	<b>(26.5)</b>	<b>120.2</b>	<b>1,472.9</b>
(Decrease) increase in exchange differences on translation of financial statements in foreign currency	3.4	3.0	(3.3)
Net increase (decrease) in cash and cash equivalents	11.1	(36.9)	1,461.8
Cash and cash equivalents at beginning of period	71.7	82.8	45.9
<b>Cash and cash equivalents at end of period</b>	<b>82.8</b>	<b>45.9</b>	<b>1,507.8</b>

2020	2021	2022
76%	533%	(33%)
(188%)	(6%)	0%
(121%)	(218%)	(5%)
0%	0%	18%
(28%)	(48%)	(1%)
229%	0%	156%
0%	0%	(4%)
0%	(0%)	(34%)
<b>(32%)</b>	<b>262%</b>	<b>98%</b>
4%	7%	(0%)
13%	(80%)	97%
87%	180%	3%
<b>100%</b>	<b>100%</b>	<b>100%</b>



## 5. General information and other important information

### 5.1 General Information of the Company, Subsidiaries and Joint Ventures and joint venture

<b>Company name</b>	:	Asian Alliance International Public Company Limited
<b>Company registration number</b>	:	0107565000093
<b>Registered capital</b>	:	2,125,000,000.00 baht (two thousand one hundred and twenty five million baht only)
<b>Issued and fully paid capital</b>	:	2,125,000,000.00 baht (two thousand one hundred and twenty five million baht only)
<b>Head Office location</b>	:	55/2 Moo 2 Rama 2 Road, Bangkrajao, Muang, Samutsakhon 74000
<b>Factory location</b>	:	5/5, 8/8, 8/9 Moo 3 Rama 2 Road, Banbor, Muang, Samutsakhon 74000
<b>Tel</b>	:	034 845 575-87
<b>Fax</b>	:	034 845 546
<b>Website</b>	:	www.asianalliance.co.th
<b>Registrar</b>	:	The Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Sub-District, Dindaeng Bangkok 10400,Thailand Tel : 02 009 9000 Fax : 02 009 9991 SET Contact Center : 02 009 9999
<b>Auditor</b>	:	EY Office Company Limited 193/136-137, Floor 33, Lakeratchada Building, Ratchadaphisek Road, Klongtoey, Bangkok 10110, Thailand Tel : 02 264 9090 Fax : 02 264 0789

### 5.2 Other Important Information

<b>Company name</b>	:	Asian Pets Care Corporation Co.,Ltd.
<b>Shareholding proportion by the Company</b>	:	100%
<b>Company registration number</b>	:	0105561005480
<b>Registered capital</b>	:	200,000,000.00 baht (two hundred million baht only)
<b>Issued and fully paid capital</b>	:	200,000,000.00 baht (two hundred million baht only)
<b>Type of business</b>	:	Distributing pet product under its own brand under the strategies of various companies in foreign markets.
<b>Office location</b>	:	742 Soi Sukhumvit 42, Klong Ton, Klong Toei, Bangkok
<b>Tel</b>	:	(02) 367-5021
<b>Fax</b>	:	(02) 249-5256
<b>Website</b>	:	www.asianpetcare.com
<b>Company name</b>	:	Thaiya Corporation (Shanghai) Co., Ltd.
<b>Shareholding proportion by the Company</b>	:	100% (held by Asian Pets Care Corporation Company Limited)
<b>Company registration number</b>	:	91310000MA1G0RF889
<b>Registered capital</b>	:	5,000,000 MUSD (five million dollars)
<b>Issued and fully paid capital</b>	:	5,000,000 MUSD (five million dollars)
<b>Type of business</b>	:	To operate a pet food distribution business under the brand of Asian pets Care Corporation Co., Ltd. As well as to invest in shares of other relevant businesses in China
<b>Office location</b>	:	Yingke Zhi Gu tower 12 (1st floor), 67 Dongpu Road, Tianhe District, Guangzhou City, Guangdong Province.
<b>Website</b>	:	https://www.monchou.cn/



<b>Company name</b>	:	Asian Group SCS Europe GmbH
<b>Shareholding proportion by the Company</b>	:	60% (40% held by Dormeo Handels GmbH)
<b>Company registration number</b>	:	HRB 736061
<b>Registered capital</b>	:	25,000 euros (twenty-five thousand euros)
<b>Issued and fully paid capital</b>	:	25,000 euros (twenty-five thousand euros)
<b>Type of business</b>	:	To be a distributor of products of group of companies to expand overseas markets, especially in Europe
<b>Office location</b>	:	Toebele 1, 73098 Rechberghausen, Germany.

<b>Company name</b>	:	Shangdong Thaiya Meisi Pet Food Co., Ltd.
<b>Shareholding proportion by the Company</b>	:	51% (held by Asian Pet Care Corporation Co., Ltd., 41% held by Thaiya Corporation (Shanghai) Co., Ltd. and 10% held by Shangdong Meisi Pet Food Co., Ltd. 49% )
<b>Company registration number</b>	:	91370783MA3PKW7496
<b>Registered capital</b>	:	20,000,000.00 yuan (twenty million yuan)
<b>Issued and fully paid capital</b>	:	20,000,000.00 yuan (twenty million yuan)
<b>Type of business</b>	:	To produce OEM dry pet food under the customer's trademark for distribution in China.
<b>Office location</b>	:	No. 19, Xing'an Road, Economic Development Zone, Shounguang City, Weifang City, Shangdong Province.

<b>Company name</b>	:	Inter Petrina Co.,Ltd
<b>Shareholding proportion by the Company</b>	:	40% (held by Inter Pharma Co., Ltd. 60%)
<b>Company registration number</b>	:	0105561050612
<b>Registered capital</b>	:	4,000,000 baht (four million baht)
<b>Issued and fully paid capital</b>	:	4,000,000 baht (four million baht)
<b>Type of business</b>	:	To operate pet food business produced by Asian Alliance International Public Company Limited under the trademark "MARIA" by distributing both domestically and exported to Cambodia, Laos, Malaysia and Vietnam (CLMVT).
<b>Office location</b>	:	140/9 ITF Tower, 9 Floor, Silom Road, Suriyawong, Bangrak, Bangkok
<b>Website</b>	:	www.mariapetfood.com

### 5.3 Legal Disputes

As of December 31, 2022, the Company and its subsidiaries have not been sued as defendants or have pending legal disputes (1) that may have a negative effect on the assets of the Company or its subsidiaries at a higher amount. 5.0% of shareholders' equity according to the Company's consolidated financial statements for the six-month period ended June 30, 2022 (2) that significantly affects the business operations of the Company or its subsidiaries but cannot be evaluated in numbers; and (3) that are not caused by the normal business operations of the Company or its subsidiaries.

### 5.4 Secondary Market

- None -

### 5.5 Regularly Contacted Financial Institutions (Only in the case of debt instruments)

- None -

# 2

## Corporate Governance







## 6. Corporate Governance Policy

### 6.1 Overview of Corporate Governance Policies and Practices

Asian Alliance International Public Company Limited (the “Company”) realizes duties and responsibilities to maximize benefits to shareholders and impacts on society, communities, environment, the country, and other stakeholders including customers, trade partners, creditors, employees, and competitors. The Company also adheres to the corporate governance guidelines in accordance with the Principles of Good Corporate Governance of Listed Companies 2017. The Company’s good corporate governance policy has been set out as a guideline for the operations of both the Company and its subsidiaries to create transparency and fairness to stakeholders. The good corporate governance policy consists of 8 principles as follows:

**Principle 1:** Establish Clear Leadership Role and Responsibilities of the Board

**Principle 2:** Define Objectives that Promote Sustainable Value Creation

**Principle 3:** Strengthen Board Effectiveness

**Principle 4:** Ensure Effective CEO and People Management

**Principle 5:** Nurture Innovation and Responsible Business

**Principle 6:** Strengthen Effective Risk Management and Internal Control

**Principle 7:** Ensure Disclosure and Financial Integrity

**Principle 8:** Ensure Engagement and Communication with Shareholders

The full version of the Corporate Governance Policy can be viewed here:



### 6.2 Business Code of Conduct

To achieve growth and development in a stable and sustainable manner, Asian Alliance International Public Company Limited (the “Company”) strongly believes that all of its directors, executives, and employees need to adhere to and comply with “Business Ethics,” which serve as good practices in business operations. With business ethics, all relevant actors will have their duties performed in the same direction under the framework of key values such as morality, honesty, good faith, transparency, accountability, trust in quality of human resources, and education. The Company hereby prescribes its guideline on Business Ethics.

The full version of the Business Code of Conduct can be viewed here:



### 6.3 Major changes and developments in policies, practices, and corporate governance systems in the past year

In 2022, the Company has reviewed and developed good corporate governance policies and important related policies as follows:

1. Review the vision, mission, and corporate values.
2. Review the Board of Directors Charter, Audit Committee Charter, Executive Committee Charter, Risk Management Committee Charter, Nomination and Remuneration Committee Charter, Corporate Governance and Sustainability Management Committee Charter, and the Credit and Debt Collection Committee Charter.
3. Review approval authority.
4. Review important corporate governance policies.

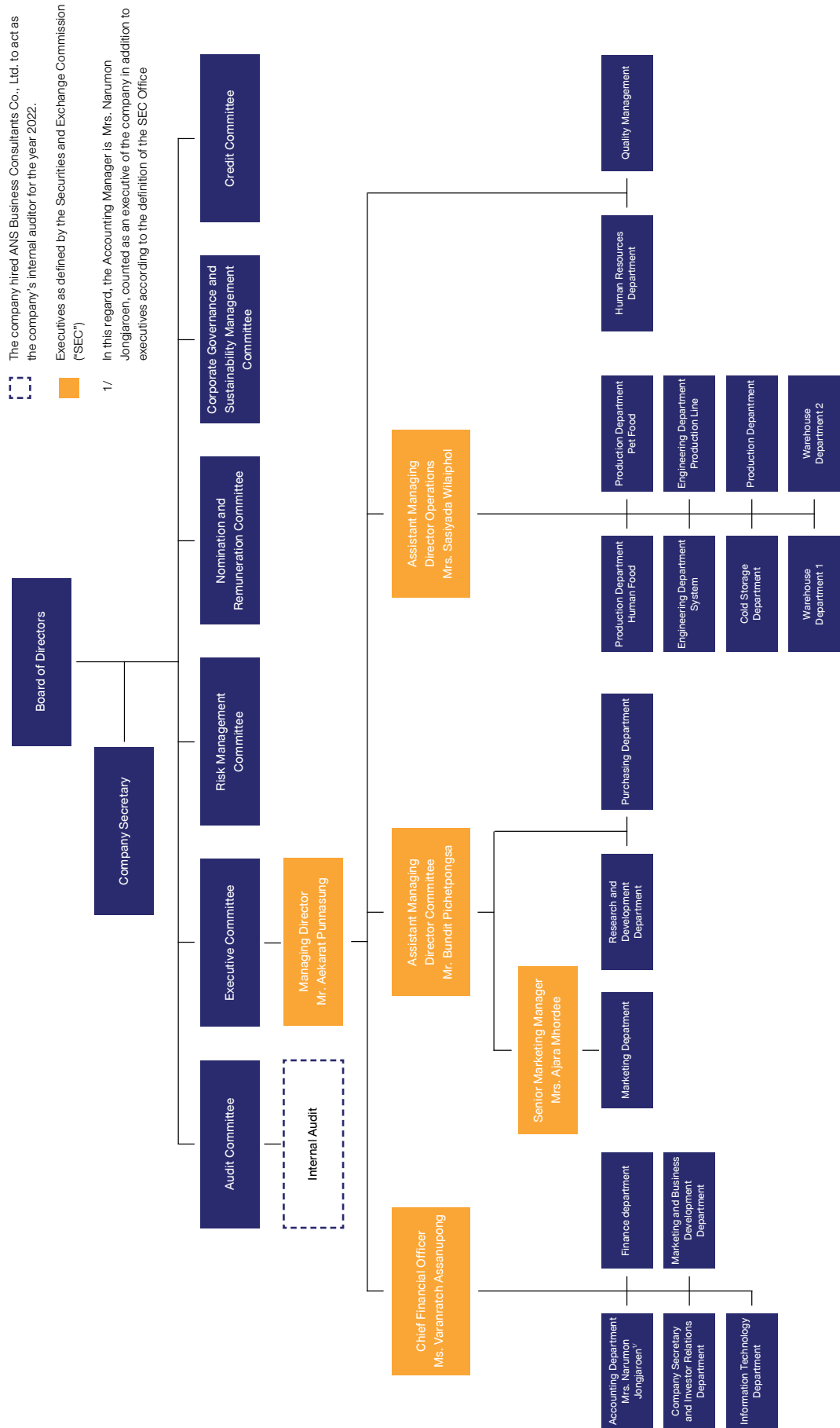
In this regard, the Company complies with the principles of good corporate governance for listed companies in 2017 and has reviewed and improved the good corporate governance policy to always be appropriate for the Company in terms of the nature of business, organization size, financial position, and performance of the Company. The Board of Directors Meeting No. 1/2022 (after conversion to a public company) held on March 24, 2022, has reviewed and approved the latest good corporate governance policy.



## 7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others

### 7.1 Governance Structure

As of 31 December 2022, The management structure of Asian Alliance International Public Company Limited was as follows:





## 7.2 Information about the Board of Directors

### 7.2.1 Composition of the Board of Directors

The Board of Directors consists of knowledgeable and experienced individuals who are beneficial to the business operation. The Board of Directors plays an important role in overseeing the management of the Company as a leader in the formulation of strategies, policies, and operations; the allocation of key resources; the assignment and monitoring of the operations of subcommittees; and the management's efforts to achieve the objectives and goals of creating sustainable value for the business for the maximum benefit of the Company in accordance with the Company's policies, laws, objectives, Articles of Association, resolutions of the Board of Directors, and shareholders' meetings with responsibility, care, and integrity.

As of December 31, 2022, the Board of Directors consists of 8 directors. There is one executive director (representing 12.5% of total directors), 4 non-executive and non-independent directors representing ASIAN (representing 50.0% of total directors), and 3 independent directors (representing 37.5% of total directors), which represent not less than one-third of the total directors. Three independent directors are qualified according to relevant laws and regulations. The Company has 1 female director and 7 male directors.

### 7.2.2 Information on Board of Directors

As of December 31, 2022, the Board of Directors consists of 8 directors as follows:

No.	Name	Position
1	Mr. Vichai Assarasakorn	Chairman of the Board / Independent Director / Chairman of the Audit Committee
2	Mr. Kasemsit Pathomsak	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee
3	Lieutenant Sutthinan Hatthawong	Independent Director / Member of the Audit Committee / Member of the Risk Management Committee / Member of the Nomination and Remuneration Committee
4	Mr. Somsak Amornrattanachaikul	Director / Chairman of the Executive Committee
5	Mr. Suriya Prasatbuntitya	Director / Member of the Nomination and Remuneration Committee
6	Ms. Prapa Puranachote	Director / Chairman of the Nomination and Remuneration Committee
7	Mr. Hendrikus Van Westendorp	Director / Executive Director
8	Mr. Aekarat Punnasung	Director / Executive Director / Managing Director / Chairman of the Risk Management Committee / Chairman of the Corporate Governance and Sustainability Management Committee / Chairman of the Credit Committee

Ms. Varanatch Assanupong served as the Company Secretary as appointed at the Board of Directors' Meeting No. 4/2564 on August 8, 2021.

### Authorized Signatories of the Company

Authorized signatories include Mr. Somsak Amornrattanachaikul, Mr. Aekarat Punnasung, and Mr. Suriya Prasatbuntitya. Two of these three directors jointly sign and affix the Company's seal.

### 7.2.3 Information on the Roles and Responsibilities of the Board of Directors and the Chairman of the Board of Directors

#### 1. Scope of Authority, Duties, and Responsibilities of the Board of Directors

The authority, duties, and responsibilities of the Board of Directors are defined by the Public Limited Company Act B.E. 2535 (1992) (including amendments), the Securities and Exchange Act B.E. 2535 (1992) (including amendments), the rules prescribed by the Securities and Exchange Commission, and related laws and regulations. Laws and the Company's articles of association require the Board of Directors to have authority to make decisions and oversee operations in various matters, unless the law or the Company's regulations require that the Board of Directors obtain approval from the shareholders' meeting before proceeding.

The Board of Directors' Meeting No. 5/2564 on October 18, 2021, has defined the scope of authority, duties, and responsibilities of the Board of Directors with the key details as follows:

- (1) Perform duties with responsibility, duty of care, and duty of loyalty, and ensure that the operations of the Company and its subsidiaries are in accordance with the laws, objectives, regulations, resolutions of the Board of Directors' meeting, and resolutions of the shareholders' meeting, to preserve the rights and interests of the Company and all shareholders.
- (2) Be responsible for managing all matters of the Company and have the authority to operate within the scope of the laws, objectives, and articles of association of the Company and according to the resolutions of the shareholders' meeting.

- (3) Determine the policies and direction of management, vision, mission, goals, business objectives, business strategies, business plans, and the annual budget plan of the Company and its subsidiaries, taking into account two important criteria: creating maximum benefits for the Company and being within the framework of relevant laws and regulations.
- (4) Supervise and monitor the performance of the management and sub-committees in accordance with policies and direction, vision, mission, goals, business objectives, business strategies, business plans, and the annual budget as determined by the Board of Directors.
- (5) Continuously monitor performance, financial position, and financial liquidity adequacy, as well as the ability to repay the debts of the Company and its subsidiaries in accordance with business plans and related budgets.
- (6) Supervise the disclosure of information to shareholders with accuracy, completeness, transparency, and reliability as required by law.
- (7) Ensure that the Company and its subsidiaries adopt appropriate and efficient accounting systems, including adequate and effective internal control and audit systems. The Company may engage external internal control system auditors to perform such functions in conjunction with the Company's personnel, as well as ensuring that the appropriateness of the internal control system of the Company and its subsidiaries is regularly assessed.
- (8) Prepare an annual report of the Company and be responsible for the preparation and disclosure of its consolidated financial statements to reflect the financial position and operating results of the Company and its subsidiaries over the past year and present them to the shareholders' meeting for consideration and approval.
- (9) Supervise and monitor the management and operations of the Company and its subsidiaries in accordance with the policies of the Company and securities laws, as well as announcements, regulations, and relevant rules of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, such as making connected transactions and acquiring or selling important assets that do not contravene other laws, including providing an adequate and appropriate internal control system and an internal audit system. This shall come into force after the Company's shares are listed on the Stock Exchange of Thailand.
- (10) Consider and approve the principles of trade agreements with general terms of trade for entering into transactions with the Company and its subsidiaries, with directors, executives, or related persons, in order to establish a framework for the management to have the authority to carry out such transactions within the framework and scope of relevant laws and regulations for the benefit of entering into connected transactions.
- (11) Provide a regular review and revision of important policies and plans to ensure that they are current and appropriate for business conditions.
- (12) Organize an annual general meeting of shareholders within four months from the end of the Company's fiscal year.
- (13) Consider approving the payment of interim dividends to shareholders when the Company considers that it is reasonably profitable to do so and report the dividend payment to the shareholders at the next shareholders' meeting.
- (14) Ensure that the management has a unit regarding investment relations responsible for communicating with each group of shareholders and other stakeholders, such as investors or analysts, appropriately.

Details about the scope, powers, duties, and responsibilities of the Board of Directors are available

in the Charter of the Board of Directors.



## 2. Scope of Authority and Duties of the Chairman of the Board of Directors

The Board of Directors' Meeting No. 5/2564 on October 18, 2021, has defined the scope of authority and duties of the Chairman of the Board of Directors with the following details:

- (1) Send or assign any other person to send the invitation letter to the Board of Directors' meeting and the shareholders' meeting and preside over the Board of Directors' meeting and the shareholders' meeting.
- (2) Have a role in controlling the meeting to be effective in accordance with the Company's articles of association by supporting and giving the opportunity for the directors to express their opinions independently.
- (3) Support and encourage the Board of Directors to perform their duties to the utmost extent of their authority, duties, and responsibilities and in compliance with the Good Corporate Governance Policy.
- (4) Monitor and supervise the operations of the Board of Directors and other sub-committees of the Company to comply with the Company's rules and regulations and achieve the objectives, policies, and plans set forth.
- (5) Oversee the use of strategic policies and practices by the management, including advising and supporting the management's business operations.

Details about the scope of powers and duties of the Chairman of the Board of Directors are available

in the Charter of the Board of Directors.







### 7.3 Information on the Sub-Committee

As of December 31, 2022, the Company has a total of 6 sub-committees which are (1) Audit Committee (2) Executive Committee (3) Risk Management Committee (4) Nomination and Remuneration Committee (5) Corporate Governance and Sustainability Management Committee and (6) Credit Committee.

Each committee has a charter approved by the Board of Directors by specifying the objectives, composition, qualifications, appointment and term of office, meetings, duties and responsibilities, and performance evaluation. The sub-committees will consider, review, and revise the charter at least once a year and present to the Board of Directors. In this regard, sub-committees are required to report their performance to the Board of Directors regularly.

#### 1) Audit Committee

##### • Information of the Audit Committee

As of December 31, 2022, the Audit Committee consists of 3 independent directors as follows:

No.	Names	Position	Position on the Board of Directors
1	Mr. Vichai Assarasakorn	Chairman of the Audit Committee	Independent Director
2	Mr. Kasemsit Pathomsak	Member of the Audit Committee	Independent Director
3	Lieutenant Sutthinan Hatthawong	Member of the Audit Committee	Independent Director

Mr. Wattichai Toaudta functions as the secretary of the Audit Committee according to the appointment in the Audit Committee Meeting No. 4/2022 (after conversion to a public company) on August 4, 2022.

In this regard, Mr. Vichai Assarasakorn and Mr. Kasemsit Pathomsak have sufficient knowledge and experience to review the credibility of financial statements, as well as having the knowledge and experience in international business management. In addition, Lieutenant Sutthinan Hatthawong has knowledge and experience in risk management and maritime transportation. (Please consider additional details of qualifications and experience of Mr. Vichai Assarasakorn, Mr. Kasemsit Pathomsak and Lieutenant Sutthinan Hatthawong in Attachment 1, details of directors, executives, controlling persons, persons assigned to the highest responsibility in accounting and finance, the person assigned to be directly responsible for supervising accounting, and the company secretary.)

##### • The Scope of Authorities, Duties and Responsibilities of the Audit Committee

The Board of Directors' Meeting No. 6/2022 held on November 10, 2022, has defined the scope of authorities, duties and responsibilities of the Audit Committee with material details as follows:

- Review to ensure that the Company's financial reporting is accurate and adequate in accordance with financial reporting standards by coordinating with external auditors and executives responsible for preparing financial reports. The Audit Committee may suggest the auditor review or examine any item that is considered important and necessary during the audit of the Company and its subsidiaries.
- Consider and approve the submission of the Company's quarterly financial statements to the Stock Exchange of Thailand.
- Review to ensure that the Company has an internal control system and an internal audit system that are appropriate and effective.
- Consider the independence of the internal audit department as well as approving the appointment, transfer, and dismissal of the head of the internal audit unit or any other department responsible for internal auditing, including third-party internal control auditors hired by the Company.
- Review and comment on the internal audit plan and the operation of the internal audit office, including approving the internal audit plan as well as assigning work to the internal audit staff to support the Audit Committee.
- Review the Company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and the laws related to the Company's business.
- Consider, select, nominate an independent person to be the Company's auditor, and propose such person's remuneration, as well as attending a meeting with an auditor without management at least once a year.
- Consider connected transactions or transactions that may have conflicts of interest, including the acquisition or disposal of assets of the Company and its subsidiaries to ensure accuracy and completeness in accordance with the law and related regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board, as well as to ensure that such transactions are reasonable and in the best interest of the Company.
- Prepare a report of the Audit Committee to be disclosed in the Company's annual report, which must contain information on the rules and regulations of the Stock Exchange of Thailand and be signed by the Chairman of the Audit Committee.

- 10) Review and approve the charter of the Internal Audit Office and review its suitability at least once a year, including reviewing and determining the scope of the internal audit together with the third-party internal control system auditor hired by the Company (if any).
- 11) Review the risk management system to be concise, appropriate, and effective to ensure that there is a proper and adequate control system against potential fraud risks.
- 12) In performing its duties within the scope of authority, the Audit Committee may invite the management, executives, or relevant employees of the Company to give opinions, attend meetings, or submit documents as deemed relevant and necessary.
- 13) The Audit Committee must report their performance to the Board of Directors at least every quarter.
- 14) In the Audit Committee's duty performance, if the committee has found or suspected that there is a transaction or the following actions which may have a significant impact on the financial position and operating results of the Company, the Audit Committee shall report to the Board of Directors for rectification within the time frame that the Audit Committee deems appropriate:
  1. Transactions that may have conflicts of interest.
  2. Suspicions or assumptions that there may be fraud or abnormalities or significant defects in the Company's internal control system.
  3. Any suspicion or assumption that there may be a violation of the Securities and Exchange Act, the regulations of the Stock Exchange of Thailand, or any law related to the Company's business.

If the Board of Directors or executives fail to make a rectification within the time as mentioned above, any member of the Audit Committee may report the transaction or action as mentioned above to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 15) Consider, review, and revise the Audit Committee Charter at least once a year and present to the Board of Directors for approval.
- 16) Perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

In performing the aforementioned duties, the Audit Committee shall report directly to the Board of Directors and the Board of Directors remains responsible for the Company's operations to third parties.

The Board of Directors has the authority to amend or change the definition and qualifications of independent directors and the charter of the Audit Committee to be in line with the responsibilities of the Audit Committee under the rules of the Securities and Exchange Commission, the Stock Exchange of Thailand, the Capital Market Supervisory Board and/or other relevant legal provisions.

The full version of the Charter of the Audit Committee can be viewed here:





## 2) Executive Committee

### • Information of the Executive Committee

As of December 31, 2022, the Nomination and Remuneration Committee consists of 4 directors and independent directors as follows:

No.	Names	Position	Position in the Board of Directors
1	Mr. Somsak Amornrattanachaikul	Chairman of Executive Committee	Director
2	Mr. Aekarat Punnasung	Member of the Executive Committee / Managing Director	Director
3	Mr. Hendrikus Van Westendorp	Member of the Executive Committee	Director
4	Ms. Varanratch Assanupong	Member of the Executive Committee / Chief Financial Officer	-
5	Mr. Bundit Pichetpongsa	Member of the Executive Committee / Assistant Managing Director of Commercial Department	-
6	Mrs. Sasiyada Wilaiphol	Member of the Executive Committee / Assistant Managing Director of Operations	-
7	Mrs. Ajara Mhordee	Member of the Executive Committee	-
8	Mr. Akamon Prasoppolsujarit	Member of the Executive Committee / Senior Marketing Manager	-
9	Ms. Benjaporn Pounsiri	Member of the Executive Committee / Research and Development Manager	-
10	Ms. Somsri Maneechay	Member of the Executive Committee / Quality Management Manager	-
11	Mr. Thawatwong Arunthong	Member of the Executive Committee / Purchasing Manager	-

Ms. Varanratch Assanupong functions as the secretary of the Executive Committee according to the appointment in the Board of Directors Meeting No. 1/2022 (before conversion to a public company) on February 17, 2022.

### • The Scope of Authorities, Duties and Responsibilities of the Executive Committee

The Board of Directors Meeting No. 1/2022 held on March 24, 2022, has defined the scope of authorities, duties, and responsibilities of the Executive Committee with material details are as follows:

- 1) Operate and manage the business of the Company and its subsidiaries in accordance with the objectives, regulations, policies, rules, requirements, orders, and resolutions of the Board of Directors and/or the resolutions of the shareholders' meeting.
- 2) Consider and prepare policies, directions, business strategies, goals and operational plans, financial goals, budgets, human resource management, investment expansion, and public relations of the Company and its subsidiaries, and to supervise and oversee the operations of the appointed committees to ensure goals are achieved by taking into account business factors appropriately, as long as it is not contrary to the policy framework or guidelines set by the Board of Directors (if any) and proposed and approved by the Board of Directors.  
  
However, in the case that the Board of Directors has already set the operational guidelines, if the facts proposed to the Board of Directors have changed, the Executive Committee will consider reviewing the use of the approved budget to be suitable for that situation to the extent that it is not against the Delegation of Authority.
- 3) Supervise, inspect, and monitor the business operations of the Company and its subsidiaries in accordance with the policies, business strategies, goals and operational plans, financial goals and budgets of the Company and its subsidiaries approved by the Board of Directors to ensure that the operations are efficient and effective, conducive to business conditions, along with giving management advice to senior executives.
- 4) Study the feasibility of investing in new projects and have it authorized to consider and approve the Company and its subsidiaries to invest or co-invest with individuals, juristic persons, or any other business organizations in ways that the Executive Committee deems appropriate for the business operations according to the objectives of the Company and its subsidiaries before proposing to the Board of Directors' meeting for further approval.
- 5) Consider and approve the spending on investment or joint venture, entering into legal contracts and/or any actions related to such investment or joint venture until completion within the specified limit as long as it is not contrary to the Delegation of Authority and/or relevant laws and regulations and/or the Articles of Association of the Company and its subsidiaries.
- 6) Monitor on the performance and progress of investment projects of each business and report results including problems or obstacles that arise and ways to improve them to the Board of Directors.

- 7) Consider and give suggestions or opinions to the Board of Directors regarding projects, proposals, or entering into any transactions related to the business operations of the Company and its subsidiaries, including considering options for raising funds when necessary and propose to the Board of Directors to proceed in accordance with relevant laws and regulations or the Company's regulations requiring the shareholders' meeting and/or the Board of Directors to consider and approve.
- 8) Consider and approve entering into financial transactions with financial institutions in account opening, borrowing, applying for credit, pledge, mortgage, guarantee and others, including buying, selling, and registration of any land ownership for the benefit of the operations of the Company and its subsidiaries, including entering into legal contracts, submitting requests, proposals, contacting government agencies in order to obtain various rights of the Company and its subsidiaries and/or taking any action related to such matters until completion according to the amount of money specified in the Delegation of Authority approved by the Board of Directors and/or relevant laws and regulations or the Company's regulations. However, the Board of Directors still has the power to consider and approve financial transactions with financial institutions in order to open an account if necessary.
- 9) Consider and approve rules, regulations, management policies and business operations of the Company and its subsidiaries or any actions binding the Company and its subsidiaries according to the amount specified in the Delegation of Authority that been approved by the Board of Directors.
- 10) Seek consultants or persons with independent opinions to provide opinions or advice as necessary and appropriate.
- 11) Take action to request management, executives, employees or any related person of the Company or its subsidiaries to give opinions, attend meetings or provide relevant information as necessary.
- 12) Report key performance of the Executive Committee to the Board of Directors on a regular basis.
- 13) Consider, review, and revise the Executive Committee's charter at least once a year and present it to the Board of Directors for approval.
- 14) Perform any other tasks as assigned by the Board of Directors.
- 15) Appoint and/or assign any person or persons to perform any act within the scope of authority of the Executive Committee as it deems appropriate and within the period as it deems appropriate where the Executive Committee may cancel, revoke, or change such authorized persons or powers as it deems appropriate.

However, the delegation of duties and responsibilities of the Executive Committee must not be in the form of delegation of power or sub-delegation that allows the Executive Committee and/or the person authorized by the Executive Committee to consider and approve transactions through which he/she or a person who may have conflicts of interest (as defined by the Notification of the Securities and Exchange Commission and/or the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies) may gain interest or may benefit in any manner or may have conflicts of interest with the Company or its subsidiaries. This excludes the approval of transactions that are in accordance with the policies and criteria considered and approved by the shareholders' meeting or the Board of Directors, and approval of transactions that are in accordance with normal business and normal trading conditions in accordance with the announcement of the Securities and Exchange Commission and/or announcements of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

- **Scope of authorities, duties, and responsibilities of the Chief Executive Officer**

The Board of Directors' Meeting No. 1/2022 held on March 24, 2022 has defined the scope of authorities, duties and responsibilities of the Chief Executive Officer with the following material details:

- 1) Have a role to supervise meetings to ensure efficiency in accordance with the Company's regulations by supporting and giving opportunities for executive directors to freely express their opinions.
- 2) Support and encourage the Executive Committee to perform their duties with full capacity according to the scope of authority, duties, and responsibilities, and in accordance with the good corporate governance policy.
- 3) Supervise, monitor, and oversee the operations of the Board of Directors and other committees of the Company in accordance with the Company's rules and regulations and to achieve the set objectives, policies, and plans.
- 4) Supervise the management's implementation of policies and strategic practices, as well as providing advice and support to the management's business operations.

The full version of the Charter of the Executive Committee can be viewed here:





### 3) Risk Management Committee

- Information of the Risk Management Committee

As of December 31, 2022, the Risk Management Committee consists of 9 directors, independent directors and executives as follows:

No.	Names	Position	Position in the Board of Directors
1	Mr. Aekarat Punnasung	Chairman of the Risk Management Committee	Director
2	Lieutenant Sutthinan Hatthawong	Member of the Risk Management Committee	Independent Director
3	Ms. Varanratch Assanupong	Member of the Risk Management Committee	-
4	Mr. Bundit Pichetpongsa	Member of the Risk Management Committee	-
5	Mrs. Sasiyada Wilaiphol	Member of the Risk Management Committee	-
6	Mrs. Ajara Mhordee	Member of the Risk Management Committee	-
7	Mr. Akamon Prasoppolsujarit	Member of the Risk Management Committee	-
8	Ms. Benjaporn Pounsiri	Member of the Risk Management Committee	-
9	Ms. Wijitra Thiangtham	Member of the Risk Management Committee	-

Ms. Varanratch Assanupong functions as the secretary of the Risk Management Committee according to the appointment in the Board of Directors Meeting No. 1/2022 (before conversion to a public company) on February 17, 2022.

- Scope of authorities, duties, and responsibilities of the Risk Management Committee

The Board of Directors Meeting No. 1/2022 held on March 24, 2022, has defined the scope of duties and responsibilities of the Risk Management Committee with the following material details:

- 1) Determine the policy framework and overall risk management guidelines of the Company and its subsidiaries, which include consideration of risk issues, risk factors, measures, indicators, and responsible persons.
- 2) Prepare a risk management policy in terms of overall risk management as a framework for the operation in the risk management process of everyone in the organization to be in the same direction and propose to the Board of Directors for consideration.
- 3) Review to ensure that the Company has appropriate and efficient business risk management policies, including preparing a report of the Risk Management Committee to submit to the Board of Directors' meeting as deemed appropriate or upon request.
- 4) Review risk management reports to monitor the material risk assessments, impact, and likelihood of those risks in order to prioritize them, as well as employing appropriate risk management methods and taking actions to ensure that the Company and its subsidiaries manage risks adequately and appropriately.
- 5) Determine strategies to be used in risk management in line with the business risk management policy approved by the Board of Directors, as well as analyzing, evaluating, and monitoring the implementation of the established business risk management policy.
- 6) Supervise the implementation of the policy and risk management framework on an ongoing basis so that the Company and its subsidiaries have a risk management system that is appropriate and efficient across the organization and is consistently practiced.
- 7) Give suggestions on what needs to be improved to the Board of Directors or management to be consistent with the policies and strategies set by the Board of Directors.
- 8) Seek consultants or persons with independent opinions to provide opinions or advice as necessary and appropriate.
- 9) Take action to request management, executives, employees or any related person of the Company or its subsidiaries to give opinions, attend meetings or provide relevant information as necessary.
- 10) Report key performance of the Risk Management Committee to the Board of Directors for approval and regularly report to the Board of Directors on risks and significant risk management.
- 11) Consider, review, and revise the Risk Management Committee's charter at least once a year and present it to the Board of Directors for approval.
- 12) Perform any other tasks as assigned by the Board of Directors.

The full version of the Charter of the Risk Management Committee can be viewed here:





#### 4) Nomination and Remuneration Committee

- Information of the Nomination and Remuneration Committee

As of December 31, 2022, the Nomination and Remuneration Committee consists of 4 directors and independent directors as follows:

No.	Names	Position	Position in the Board of Directors
1	Ms. Prapa Puranachote	Chairman of the Nomination and Remuneration Committee	Director
2	Mr. Suriya Prasatbuntitya	Member of the Nomination and Remuneration Committee	Director
3	Mr. Kasemsit Pathomsak	Member of the Nomination and Remuneration Committee	Independent Director
4	Lieutenant Sutthinan Hathhawong	Member of the Nomination and Remuneration Committee	Independent Director

Note: <sup>1/</sup> Lieutenant Sutthinan Hathhawong was appointed as a member of the Nomination and Remuneration Committee in the Board of Directors' Meeting No. 4/2022 (after conversion to a public company) on August 4, 2022.

- Scope of authority and responsibilities of the Nomination and Remuneration Committee

The Board of Directors Meeting No. 4/2022 (after conversion to a public company) held on August 4, 2022, has defined the scope of duties and responsibilities of the Nomination and Remuneration Committee with the following material details:

- Nomination and selection of the Board of Directors, sub-committees, and senior executives
  - Consider and present the structure, composition, and qualifications of the Board of Directors and sub-committees of the Company and its subsidiaries.
  - Determine policies, qualifications, criteria, and methods for recruiting directors, sub-committees, and senior executives.
  - Consider, recruit, select and nominate qualified candidates for appointment to seek opinions from the Board of Directors before proposing to the shareholders' meeting for appointment (in case of director position) or for the Board of Directors to consider and approve (in case of positions other than director).
  - Propose a succession plan for the Managing Director for the Board of Directors to consider, as well as ensuring that the Company has a succession plan for other high-level executives, including those holding important positions in the Company by considering persons who have knowledge in various fields, and are suitable with respect to legal requirements, regulations, and company policies.
  - Consider, scrutinize, and give comments to the Board of Directors in the consideration of appointing, transferring, recruiting and removal of employees at senior management levels.
- Remuneration for the Board of Directors, sub-committees, and senior executives
  - Establish policies, criteria, and methods for determination of remuneration for directors, sub-committees, and Senior executives.
  - Determine the remuneration of the Board of Directors, sub-committees, and senior executives of the Company and subsidiaries, both monetary and non-monetary, both fixed-rate remunerations (such as fixed remuneration, meeting allowance) and/or remuneration based on the Company's performance (such as bonuses, gratuities, if any) as well as other remuneration benefits to ensure they are appropriate by considering duties, responsibilities, and performance results and comparing with companies in similar businesses, as well as taking into account benefits expected from such persons. The remunerations should be consistent with the strategy and long-term goals of the Company by linking it to the value the Company generates for its shareholders, but not at a level that is too high and causes the focus to be concentrated only on the short-term performance, and present to the Board of Directors and/or the shareholders' meeting for approval (as the case may be).
  - Determine the remuneration structure and other benefits for employees of the Company and its subsidiaries to propose to the Board of Directors for approval.
  - Determine the criteria for assessing the performance and evaluating the performance of the Managing Director in order to receive remuneration that is appropriate to the duties and responsibilities as well as in line with the Company's performance and propose to the Board of Directors for approval.
  - Be responsible for the Board of Directors and responsible for giving clarifications and answering questions about the remuneration of the Board of Directors in the shareholders' meeting.
  - Disclose the policy and criteria for determining remuneration for directors that reflect the duties and responsibilities of each person, including the form and amount of remuneration. In this regard, the amount of remuneration disclosed shall include the remuneration that each director receives from being a director of the subsidiary as well (if applicable).
- Seek consultants or persons with independent opinions to provide opinions or advice as necessary and appropriate.
- Take action to request management, executives, employees or any related person of the Company or its subsidiaries to give opinions, attend meetings or provide relevant information as necessary.
- Report key performance of the Nomination and Remuneration Committee to the Board of Directors for approval.
- Consider, review, and revise the Nomination and Remuneration Committee's charter at least once a year and present it to the Board of Directors for approval.
- Perform any other tasks as assigned by the Board of Directors.

The full version of the Charter of the Nomination and Remuneration Committee can be viewed here:





## 5) Corporate Governance and Sustainability Management Committee

### • Information on the Corporate Governance and Sustainability Management Committee

As of December 31, 2022, the Corporate Governance and Sustainability Management Committee consists of 9 directors and executives as follows:

No.	Names	Position	Position in the Board of Directors
1	Mr. Aekarat Punnasung	Chairman of the Corporate Governance and Sustainability Management Committee	Director
2	Ms. Varanratch Assanupong	Member of the Corporate Governance and Sustainability Management Committee	-
3	Mr. Bundit Pichetpongsa	Member of the Corporate Governance and Sustainability Management Committee	-
4	Mrs. Sasiyada Wilaiphol	Member of the Corporate Governance and Sustainability Management Committee	-
5	Mrs. Ajara Mhordee	Member of the Corporate Governance and Sustainability Management Committee	-
6	Mr. Akamon Prasoppolsujarit	Member of the Corporate Governance and Sustainability Management Committee	-
7	Ms. Benjaporn Pounsiri	Member of the Corporate Governance and Sustainability Management Committee	-
8	Ms. Wijitra Thiangtham	Member of the Corporate Governance and Sustainability Management Committee	-
9	Mr. Thawatwong Arunthong	Member of the Corporate Governance and Sustainability Management Committee	-


Ms. Varanratch Assanupong functions as the Secretary of the Corporate Governance and Sustainability Management Committee according to the appointment at the Board of Directors Meeting No. 1/2022 (before converting to a public company) on February 17, 2022.

### • Scope of duties and responsibilities of the Corporate Governance and Sustainability Management Committee

The Board of Directors Meeting No. 1/2022 held on March 24, 2022, has defined the scope, authority, and responsibilities of the Corporate Governance and Sustainability Management Committee with material details as follows:

- 1) Establish the Company's good corporate governance policy in accordance with the principles of good corporate governance for listed companies as specified by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission, as well as establishing the Business Code of Conduct, sustainable management policies, and the social responsibility policy of the Company and its subsidiaries to present to the Board of Directors including considering and issuing relevant announcements, regulations, or orders in order to maintain consistency with the goals, objectives, and work plans efficiently.
- 2) Study and determine key principles and practices of good corporate governance policy, business code of conduct, social responsibility policy, and sustainability management policy to suit the business of the Company and its subsidiaries and/or in accordance with international guidelines.
- 3) Supervise and ensure that good corporate governance policy, business code of conduct, social responsibility policy, and sustainability management policy produce concrete practical results.
- 4) Monitor and supervise the implementation of the implementation plan according to the sustainability management policy.
- 5) Give comments, suggestions, and approve the sustainability management plan of the Company and its subsidiaries.
- 6) Advise the Board of Directors and management on matters related to good corporate governance, business code of conduct, sustainability management policies, and social responsibility policies.
- 7) Seek consultants or persons with independent opinions to provide opinions or advice as necessary and appropriate.
- 8) Take action to request management, executives, employees or any related person of the Company or its subsidiaries to give opinions, attend meetings or provide relevant information as necessary.
- 9) Report key performance of the Corporate Governance and Sustainability Management Committee to the Board of Directors for approval.
- 10) Consider, review, and revise the Corporate Governance and Sustainability Management Committee's charter at least once a year and present it to the Board of Directors for approval.
- 11) Perform any other tasks as assigned by the Board of Directors.

The full version of the Charter of the Corporate Governance and Sustainability

Management Committee can be viewed here: 

## 6) Credit Committee

- Information of the Credit Committee

As of December 31, 2022, Credit Committee consists of 4 directors and executives as follows:

No.	Names	Position	Position in the Board of Directors
1	Mr. Aekarat Punnasung	Chairman of the Credit Committee	Director
2	Ms. Varanratch Assanupong	Member of the Credit Committee	-
3	Mr. Bundit Pichetpongsa	Member of the Credit Committee	-
4	Mrs. Ajara Mhordee	Member of the Credit Committee	-

- Scope of duties and responsibilities of the Credit Committee

The Board of Directors Meeting No. 1/2022 held on March 24, 2022, has determined the scope, powers, duties and responsibilities of the Credit Committee with material details as follows:

- 1) Consider setting policies and relevant guidelines of the Company and its subsidiaries in opening new customers, providing credit lines, managing accounts receivable, resolving outstanding debt problems, and debt collection to present to the Board of Directors for approval.
- 2) Supervise to ensure that there is compliance with policies and guidelines in establishing new customers, providing credit limits, managing accounts receivable, resolving outstanding debt problems, and following up and accelerating debt continually and efficiently, including considering issuing announcements, regulations, or related orders.
- 3) Consider approving debt reduction, credit limit, and debt ceiling control in accordance with the framework set by the Board of Directors.
- 4) Give suggestions on what needs to be improved to the Board of Directors in order to be in line with the policies and strategies set by the Board of Directors.
- 5) Monthly review of accounts receivable and report to the Board of Directors.
- 6) Seek consultants or persons with independent opinions to provide opinions or advice as necessary and appropriate.
- 7) Take action to request management, executives, employees or any related person of the Company or its subsidiaries to give opinions, attend meetings or provide relevant information as necessary.
- 8) Report key performance of the Credit Committee to the Board of Directors for approval.
- 9) Consider, review, and revise the Credit Committee's charter at least once a year and present it to the Board of Directors for approval.
- 10) Perform any other tasks as assigned by the Board of Directors.

The full version of the Charter of the Credit Committee can be viewed here:





## 7.4 Executive Information

### 7.4.1 Name of the Executives

As of December 31, 2022, the Company has six executives as follows:

No.	Name	Position
1	Mr. Aekarat Punnasung	Managing Director
2	Ms. Varanratch Assanupong	Chief Financial Officer
3	Mr. Bundit Pichetpongsa	Assistant Managing Director of Commercial Department
4	Mrs. Sasiyada Wilaiphol	Assistant Managing Director of Operations
5	Mrs. Ajara Mhordee	Senior Marketing Manager
6	Mrs. Narumon Jongjaroen	Account Manager

The Company's management structure according to the definition of the SEC Office showing the highest level of executives and the first four executive positions after the highest level of executives (ranks 1 to 4) is as follows:



Note: <sup>1/</sup>The Managing Director is the highest ranking executive of the Company.

The Account Manager, Mrs. Narumon Jongjaroen, is considered an executive of the Company in addition to an executive defined by the SEC.

#### • Scope of authority and duties of the Managing Director

The Board of Directors' Meeting No. 1/2022 (after conversion to a public company) on March 24, 2022, has defined the scope of authority and duties of the Managing Director with the following key details:

- 1) Manage the business of the Company including supervising and controlling the overall operations to meet the objectives, regulations, policies, rules, requirements, orders, business strategies, goals and operational plans, financial goals, budgets, and resolutions of the Board of Directors and/or shareholders' meetings of the Company.
- 2) To ensure that the Company's business policies, plans and budgets are prepared and delivered to the Board of Directors for approval and to report progress according to the approved plans and budgets to the Board of Directors on a regular basis.
- 3) Implement or assign management authority in order to efficiently and effectively operate in accordance with the policies, plans and budgets approved by the Board of Directors on the basis of systematic internal control, as well as ensuring regular risk management.

- 4) Determine the organizational structure, method of administration, including the selection, training, hiring, and termination of employees and determine wage rates, salaries, compensation, bonuses, and benefits for employees.
- 5) Supervise, coordinate, order, execute, as well as entering into a juristic act, contract, order document, notice or any letter used to communicate with other departments or persons in order to efficiently and effectively accomplish the Company's operations.
- 6) Consider and approve the payment of operating expenses for the normal course of business operations of the Company, with the amount of each item as specified in the table of approval authority that has been approved and assigned by the Board of Directors.
- 7) Has the authority to issue orders, regulations, announcements, and memos to ensure that operations are in accordance with the policies and interests of the Company and to maintain work discipline within the organization.
- 8) Has the authority to appoint various working groups for benefits and good management efficiency and transparency and has the power to sub-authorize and/or assign other people to perform specific tasks on their behalf. Such sub-delegation and/or assignment shall be under the scope of delegation according to the Power of Attorney and/or in accordance with the rules, regulations, or orders specified by the Board of Directors and/or the Company.

However, the delegation of duties and responsibilities of the Managing Director or the person authorized by the Managing Director will not be in the form of authorization or sub-delegation that enables the Managing Director or the person authorized by the Managing Director to approve transactions that he/she or a person who may have conflicts of interest (according to the definition announced by the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies), may have interests or may benefit in any manner or may have any other conflicts of interest with the Company or its subsidiaries, except for the approval of transactions in accordance with the policy and criteria approved by the shareholders' meeting or the Board of Directors and it is an approval of a transaction that is in accordance with normal business and normal trading conditions in accordance with the announcement of the Securities and Exchange Commission and/or the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

- 9) Approve the appointment of consultants in various fields necessary for the operation of the business as deemed appropriate.
- 10) Monitor, review, and supervise the performance of subsidiaries.
- 11) Be a leader and act as a role model according to the Company's ethical principles and business Code of Conduct, including promoting, supervising, monitoring management on sustainability principles, social responsibility, and complying with measures and anti-corruption practices.
- 12) Play a role in setting the meeting agenda to ensure that important matters are included in the agenda of the Board of Directors' meeting.
- 13) Have any authorities, duties, and responsibilities as assigned or in accordance with the policies assigned by the Board of Directors.

#### • Table of Approval Authority

The Board of Directors' Meeting No. 4/2022 (after conversion to a public company) held on August 4, 2022, resolved to approve the Company's table of approval authority with the following key general approval powers:

No.	Approval matter	Chief Financial Officer	Managing Director	Board of Directors	Board of Directors
1	Approval / Amendments to the annual budget	-	-	-	Approve
2	Investment Project / Property Purchase	-	≤ 3 million baht	≤ 15 million baht	> 15 million baht
3	Annual Sales Forecast	-	Approve	-	-
4	Applying for opening a credit line with a financial institution debt issuance	-	-	≤ 300 million baht	> 300 million baht
5	Transactions with banks for Forward Contract/ Trust Receive imported items	Approve	-	-	-

However, if any transaction is transaction with a person who may have a conflict of interest, the Board of Directors and executives of the Company have a duty to comply with the relevant regulations of the SEC and the Stock Exchange of Thailand, including the related law. In addition, those with approval authority cannot approve any transaction in which they have an interest.





### 7.4.2 Remuneration Policy for Managing Directors and Executives

The Board of Directors shall supervise the establishment of a remuneration structure that incentivizes the managing director, senior management, and other personnel at all levels to perform their duties in accordance with the objectives and main goals of the organization and in accordance with the interests of the Company in the long term, which includes:

- (1) Consideration of the appropriateness of salary compensation, short-term performance such as bonuses, and long-term performance such as the Employee Stock Ownership Plan.
- (2) The formulation of the compensation policy takes into account factors such as the compensation level being greater than or equal to the industry by estimating the performance of the Company.
- (3) Establishing a policy on evaluation criteria and communicating it appropriately.

### 7.4.3 The Total Amount of Remuneration for Managing Director and Executives

The Company determines the remuneration of executives at an appropriate level and in line with the Company's remuneration criteria and policy, taking into account roles, duties and responsibilities, relevant work experience, Company performance, and economic conditions, which the remuneration is comparable to the level practiced in the same industry. The remuneration of the Company's executives will be in accordance with the criteria and policies considered and approved by the Nomination and Remuneration Committee and the Board of Directors.

#### Monetary Remuneration

Remuneration of 5 executives as defined by the SEC.

Items	2022
Total salary	10,223,217
Total bonus	6,719,069

#### Other Remuneration

The Company has paid other remuneration to executives consisting of provident funds and employer's contributions to the social security fund, totaling 217,664.34 baht for the fiscal year ended December 31, 2022. In addition, the Company has paid other non-monetary remuneration to executives such as annual health check-ups, group insurance, a vehicle for the position and/or a driver, vehicle subsidy rates and allowances.

In addition, in 2022, by the resolution of the Company's Extraordinary General Meeting of Shareholders No. 1/2022 held on April 8, 2022 and the ASIAN Annual General Meeting of Shareholders No. 1/2022 held on April 22, 2022. The 5 executives above received the allocation of shares offered for sale to the public for the first time (Initial Public Offering: IPO) to directors, executives and/or employees of the Company and/or its subsidiaries (Employee Stock Ownership Plan: ESOP) at the offering price Equivalent to 90 percent of the initial public offering price of the Company's ordinary shares ("IPO price") as an executive of the Company, totaling 1,000,000 shares. Criteria (Share-based payments) The allocation of shares for the initial public offering (IPO) to directors, executives and/or employees of the Company. and/or its subsidiaries (ESOP) at a discounted price from the IPO price. The Company will recognize expenses for the difference between the fair value of the shares. (In which case Based on the IPO price) and the value received from the ESOP ordinary shares in the quarter of the company's initial public offering. The aforementioned expenses are worth 550,000 baht.

## 7.5 Employees Information

### • Number of employees of the Company and its subsidiaries as of December 31, 2022

Unit : Persons

Company	Number of Monthly Employees									Number of Daily Employees								
	2020			2021			2022			2020			2021			2022		
	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total	M	F	Total
Asian Alliance International Public Company Limited.	209	305	514	231	347	578	251	369	620	1,148	1,636	2,784	1,367	1,937	3,304	1,619	2,397	4,016
Asian Pets Care Corporation Co., Ltd.	6	7	13	9	9	18	8	9	17	0	0	0	0	0	0	0	0	0
Thaiya Corporation (Shanghai) Co., Ltd.	5	4	9	24	10	34	10	8	18	0	0	0	0	0	0	0	0	0

- **Significant changes in the number of employees in the past 3 years.**

The Company and its subsidiaries have in total (including executives) 4,636 employees as of December 31, 2022. However, in 2020 and 2021, the number of employees increased mainly due to the expansion of production capacity to accommodate the increasing volume of orders.

- **Remuneration for employees of the Company and its subsidiaries. (Excluding executives)**

Unit : Million baht

Company	Monthly employee			Daily employee		
	2020	2021	2022	2020	2021	2022
AAI	151.19	175.69	198.47	395.11	468.10	546.34
APCC	9.91	13.46	13.95	0	0	0
THAIYA	9.19	14.99	18.69	0	0	0
<b>Total</b>	<b>170.30</b>	<b>204.14</b>	<b>231.11</b>	<b>395.11</b>	<b>468.10</b>	<b>546.34</b>

Note :

AAI = Asian Alliance International Co., Ltd.

APCC = Asian Pets Care Corporation Co., Ltd.

THAIYA = Thaiya Corporation (Shanghai) Co., Ltd.

- **Other remunerations**

Other remunerations given to employees include provident funds, social security funds, and other benefits such as medical treatment, annual health check-ups, group insurance, and vehicle subsidy rates.

- **Provident funds**

As of December 31, 2022, employees have joined the provident fund as follows

Unit : Persons

Company	Monthly employee		
	2020	2021	2022
AAI	354	401	447
APCC	2	15	10
THAIYA	0	0	0
<b>Total</b>	<b>356</b>	<b>416</b>	<b>457</b>

- **Significant labor disputes in the past 3 years.**

- None -

- **Human Resource Management Policy**

Asian Alliance International Co., Ltd ("Company") realizes that employees are an important and valuable factor to success, progress, and growth. Therefore, the Company focuses on operation to enhance the capacity of employees of the Company and subsidiaries. Personnel are developed in terms of management, academic affairs, and working culture provided that the Company provides modern and sufficient tools and utensils for work operations, determines returns and welfare at comparable level as other similar businesses and creates a good work environment and atmosphere with the highest safety. The employees are encouraged to perform duties with responsibility, honesty, commitment, and compliance with regulations while prioritizing the Company's interests.

The full version of the Human Resource Management Policy can be viewed here:





## 7.6 Other important information

### 7.6.1 Person assigned to be directly responsible for supervising accounting, Company Secretary, Head of Internal Audit, and Head of Compliance.

#### 1) Person Assigned to be Directly Responsible for Supervising Accounting

Mrs. Narumon Jongjaroen is the Company's Accounting Manager who is directly responsible for supervising the Company's accounting. She is responsible for supervising accounting transactions to be accurate and efficient in accordance with accounting standards, regulations, requirements, and various criteria of the Company.

(More information and details can be found in Attachment 1, details about directors, executives, controlling persons, persons assigned highest responsibility in accounting and finance, person assigned to be directly responsible for supervising accounting, and company secretary.)

#### 2) Company Secretary

The Board of Directors' Meeting No. 4/2021 held on August 8, 2021, resolved to appoint Ms. Varanratch Assanupong as the Company Secretary with duties and responsibilities as specified in Section 89/15 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendments).

(More information and details can be found in Attachment 1, details about directors, executives, controlling persons, persons assigned highest responsibility in accounting and finance, person assigned to be directly responsible for supervising accounting, and company secretary.)

#### 3) Head of Internal Audit Department

The Audit Committee Meeting No. 2/2021 held on December 17, 2021, resolved to approve the appointment of ANS Business Consultants Company Limited, an independent internal control auditor, to function as an auditor and the assessor of the Company's internal control system for 2022. ANS Business Consultants Co., Ltd. has assigned Mr. Apichart Sriamorntham as the primary responsible person to perform the duty of the independent internal auditor. In addition, on July 1, 2022, the Company has appointed Mr. Wattichai Toaudta as the Company's Internal Audit Manager, responsible for auditing and evaluating the Company's internal control system together with an independent internal control auditor. Mr. Wattichai Toaudta is knowledgeable in the operation of the Company, principles of good corporate governance, risk assessment and internal control both at business level and overall.

(More information and details can be found in Attachment 3, Details of the Head of Internal Audit.)

#### 4) Head of Compliance

The Company has not established a Compliance Department; however, the Company has established a Corporate Governance and Sustainability Management Committee to supervise compliance with the rules of the authorities that govern the Company's business operations and supervise the implementation of the good corporate governance policy, business code of conduct, social responsibility policy, and sustainability management policy, ensuring that they are practiced concretely.

### 7.6.2 Head of Investor Relations and Contact Information

To ensure that the disclosure of important information of the Company is carried out accurately, promptly, and transparently, the Company has appointed a Company Secretary and Investor Relations Department and assigned Ms. Varanratch Assanupong as the Head of Investor Relations. The department functions as a center for disclosing important information about the Company to shareholders and investors, including financial information such as operating results, financial statements, and management reports and analyses, to shareholders and investors equally, and completely based on facts, and on a regular basis.

Investor Relations can be contacted at:  
Ms. Varanratch Assanupong  
Tel 0 3482 2700 ext. 2306  
E-mail : Varanratch.a@asianalliance.co.th





### 7.6.3 Auditor's Remuneration

#### Audit Fee

For the fiscal year ended December 31, 2022, the Company and its subsidiaries paid audit fees to EY Office Limited in the amount of 2.09 million baht.

The 2022 Annual General Meeting of Shareholders of the Company on March 4, 2022 appointed EY Office Limited, an auditor licensed by the SEC, to be the auditor of the Company and its subsidiaries for the year 2022 and determined the audit fee of the Company and its subsidiaries in the amount of 2.09 million baht.

#### Non-Audit Fee

For the fiscal year ended December 31, 2022, the Company and its subsidiaries paid Non-Audit Fee to EY Office Limited in the amount of 950,000 baht, consisting of service fees for the preparation of consolidated financial statements for specific purposes, remuneration for auditing compliance with conditions of the promotional certificates, compensation for auditing compliance with inventories destruction guidelines and fees for supporting the initial public offering (IPO).

In this regard, the person or company related to the auditor and the audit firm above for which the auditor works are not the person or company related to the Company or subsidiary in accordance with the accounting standards on disclosure of information about the relevant person or company.

### 7.6.4 In the case of a foreign company or a Thai holding company, specify the name of the agent and contact information for coordination in Thailand.

- None -





## 8. Corporate Governance Report

### 8.1 Summary of performance of the Board of Directors in the past year

The Board of Directors and the Corporate Governance and Sustainability Management Committee have established a policy framework and guidelines for the development of corporate governance and corporate social responsibility in line with the principles of good corporate governance for listed companies 2017 (CG Code) of the Securities and Exchange Commission ("SEC"), as well as monitoring and supervising the implementation of good corporate governance policies, business codes of conduct, social responsibility policies, and sustainability management policies to ensure concrete practical results. In addition, the Board of Directors has set policies and visions, missions, goals, operational objectives, business strategies, and sustainability strategies to ensure that the organization can grow sustainably and succeed in accordance with the Company's goals and visions, as well as effectively responding to the expectations of all stakeholder groups of the organization.

#### 8.1.1 Recruiting, developing, and evaluating the performance of the Board of Directors.

The Company has established the Nomination and Remuneration Committee to consider and determine the criteria and form of recruitment and selection of qualified persons for the positions of directors, sub-committees, and senior executives. The Committee also considers the form and criteria for the remuneration of directors, sub-committees, and senior executives to propose to the Board of Directors and/or propose to the shareholders' meeting for further approval (as the case may be), including setting a framework for the remuneration structure and other benefits for employees of the Company and its subsidiaries.

The Nomination and Remuneration Committee will consider, nominate, select, and propose qualified persons to be appointed as directors, sub-committee, and senior executives of the Company.

##### (1) Nomination of Independent Directors

The Board of Directors will jointly consider the qualifications of persons suitable for appointment as an independent director of the Company, provided that such persons must have qualifications and do not exhibit prohibited characteristics according to the Public Limited Company Act B.E. 2535 (1992) (including as amended), the Securities and Exchange Act B.E. 2535 (1992) (including as amended) ("Securities and Exchange Act"), the Notification of the Capital Market Supervisory Board, including related announcements, regulations and/or rules. The Board of Directors will consider selecting independent directors from experts, knowledgeable persons with work experience and suitability for the organization in other areas.

The Company has a policy to appoint independent directors at no less than one-third of the total number of directors and there must be no less than three persons. As of December 31, 2022, the Board of Directors consists of eight directors with three independent directors representing not less than one-third of the total number of directors and all three independent directors are qualified according to relevant laws and regulations.

##### (2) Nomination of Directors and Senior Executives

As of December 31, 2022, the Company has a total of eight directors, consisting of four directors representing ASIAN, three independent directors, and one executive director, who is an executive according to the definition of the notification of the SEC at KorJor. 17/2551 Re: Determination of Definitions in Notifications Regarding Issuance and Offer for Sale of Securities (including amendments), with the Managing Director as the highest executive.

##### (3) Director training and development

The Nomination and Remuneration Committee had the resolution to propose to the Board of Directors' meeting to approve the training plan for the Company's directors and senior executives and conducted the training as follows:

No.	Name - Surname	Course	Institute
1	Mr. Suriya Prasatbuntitya	DLCP : DIRECTOR LEADERSHIP CERTIFICATION PROGRAM	Thai Institute of Directors Association (IOD)
2	Mr. Aekarat Punnasung	DLCP : DIRECTOR LEADERSHIP CERTIFICATION PROGRAM	Thai Institute of Directors Association (IOD)
3	Ms. Varanratch Assanupong	DCP : DIRECTOR CERTIFICATION PROGRAM CSP : COMPANY SECRETARY PROGRAM	Thai Institute of Directors Association (IOD)
4	Mr. Bundit Pichetpongsa	CGE = CORPORATE GOVERNANCE FOR EXECUTIVES	Thai Institute of Directors Association (IOD)
5	Mrs. Sasiyada Wilaiphol	CGE = CORPORATE GOVERNANCE FOR EXECUTIVES RCL:RISK MANAGEMENT PROGRAM FOR CORPORATE LEADERS	Thai Institute of Directors Association (IOD)



In addition, the Company recognizes the importance of the performance of duties of new directors; therefore, the Company has established an orientation to introduce the overview of the Company and its subsidiaries for the new directors to understand business relationships and shareholding structures between them. In addition, important information and information necessary for the performance of duties of a director is also provided, such as the management structure, Company regulations, Company objectives, corporate governance policy, business codes of conduct, relevant laws, performance results, and developments of the Company, to the directors. In this regard, in 2022, there was no new director on the Board of Directors.

#### (4) Performance Evaluation of the Board of Directors

The Company arranges for the Board of Directors, Sub-Committees, Managing Director, and Chief Financial Officer to conduct an individual self-assessment and summarize the result as a group once a year. The prototype of the self-assessment form is adapted from the self-assessment form of the Board of Directors of the Stock Exchange of Thailand. The Company Secretary will be responsible for delivering the evaluation form and compiling a summary report to the Board of Directors' meeting to jointly consider the performance and improvements.

### 8.1.2 Meeting attendance and remuneration for the Board of

#### Meeting attendance

The meeting attendance of the Board of Directors in 2022 are as follows:

No.	Names	Board of Directors' meeting Total 7 times	Audit Committee's meeting Total 5 times	Executive Committee's meetings Total 12 times	Risk Management Committee's meeting Total 5 times	Nomination and Remuneration Committee Total 3 times	Corporate Governance and Sustainability Management Committee, Total 4 times	Credit Committee Total 6 times	General Meeting of Shareholders Total 1 time	Extraordinary General Meetings of Shareholders, Total 2 times
1	Mr. Vichai Assarasakorn	7/7	5/5	-	1/5 <sup>5/</sup>	-	-	-	1/1	2/2
2	Mr. Kasemsit Pathomsak	6/7 <sup>1/</sup>	4/5 <sup>3/</sup>	-	1/5 <sup>5/</sup>	1/3 <sup>6/</sup>	-	-	0/1 <sup>8/</sup>	2/2
3	Lieutenant Sutthinan Hatthawong	6/7 <sup>2/</sup>	5/5	-	5/5	1/3 <sup>7/</sup>	-	-	0/1 <sup>8/</sup>	2/2
4	Mr. Somsak Amornrattanachaikul	7/7	-	12/12	-	-	-	-	1/1	2/2
5	Mr. Suriya Prasatbuntitya	7/7	-	-	-	3/3	-	-	1/1	2/2
6	Ms. Prapa Puranachote	7/7	-	-	-	3/3	-	-	1/1	2/2
7	Mr. Hendrikus Van Westendorp	7/7	-	11/12 <sup>4/</sup>	-	-	-	-	1/1	2/2
8	Mr. Aekarat Punnasung	7/7	-	12/12	5/5	-	4/4	6/6	1/1	2/2

Note:

<sup>1/</sup> Mr. Kasemsit Pathomsak did not attend the Board of Directors' Meeting No. 1/2022 due to being engaged in another duty.

<sup>2/</sup> Lieutenant Sutthinan Hatthawong did not attend the Board of Directors' Meeting No. 4/2022 due to being engaged in another duty.

<sup>3/</sup> Mr. Kasemsit Pathomsak did not attend the Audit Committee Meeting No. 1/2022 due to being engaged in another duty.

<sup>4/</sup> Mr. Hendrikus Van Westendorp did not attend the Executive Committee Meeting No. 5/2022 due to being engaged in another duty.

<sup>5/</sup> Mr. Vichai Assarasakorn and Mr. Kasemsit Pathomsak attended the Risk Management Committee Meeting No. 5/2022 only because it was a meeting of the Risk Management Committee together with the Audit Committee.

<sup>6/</sup> Mr. Kasemsit Pathomsak did not attend the Nomination and Remuneration Committee Meeting No. 2/2022 due to being engaged in another duty.

<sup>7/</sup> Lieutenant Sutthinan Hatthawong was appointed as a member of the Nomination and Remuneration Committee by the Board of Directors' Meeting No. 4/2022 held on August 4, 2022, so he only attended the meeting No. 3/2022.

<sup>8/</sup> Mr. Kasemsit Pathomsak and Lieutenant Sutthinan Hatthawong did not attend the 2022 Annual General Meeting of Shareholders due to being engaged in another duty.



## Remuneration

### (1) Monetary Remuneration

The Company's Annual General Meeting of Shareholders of 2022 held on March 4, 2022 resolved to approve the remuneration of directors and subcommittees for the year 2022 consisting of monthly remuneration and meeting allowances with the following details:

Position	Monthly remuneration (baht/month)	Meeting allowance <sup>1/</sup> (baht/time)
<b>Company Directors</b>		
Chairman	-	25,000
Directors	-	15,000
<b>Audit Committee</b>		
Chairman	15,000	25,000
Directors	10,000	15,000
<b>Executive Committee</b>		
Chairman	-	25,000
Directors	-	15,000
<b>Risk Management Committee</b>		
Chairman	-	25,000
Directors	-	15,000
<b>Nomination and Remuneration Committee</b>		
Chairman	-	25,000
Directors	-	15,000
<b>Corporate Governance and Sustainability Management Committee</b>		
Chairman	-	25,000
Directors	-	15,000
<b>Credit Committee</b>		
Chairman	-	25,000
Directors	-	15,000

Note:

<sup>1/</sup> Meeting allowances are paid to non-executive directors/consultants/employees of the Company and its subsidiaries and/or ASIAN. Executive directors, consultants, employees of the Company and its affiliates, and/or ASIAN who receives remuneration for such positions will not receive remuneration as a director of the Company.

Details of the remuneration of the Board of Directors for the year 2022 are as follows:

No.	Names	Meeting allowance for the Board of Directors	Meeting allowance for the Audit Committee	Meeting allowance for the Executive Committee	Meeting allowance for the Risk Management Committee	Meeting allowance for the Nomination and Remuneration Committee	Meeting allowance for the Corporate Governance and Sustainability Management Committee	Meeting allowance for the Credit Committee	Meeting allowance for the General Meeting of Shareholders	Meeting allowance for the Extraordinary General Meetings of Shareholders	Monthly Remuneration
1	Mr. Vichai Assarasakorn	175,000	125,000	-	15,000	-	-	-	25,000	50,000	180,000
2	Mr. Kasemsit Pathomsak	90,000	60,000	-	15,000	15,000	-	-	-	30,000	120,000
3	Lieutenant Sutthinan Hathawong	90,000	75,000	-	75,000	15,000	-	-	-	30,000	120,000
4	Mr. Somsak Amornrattanachaikul	0	0	0	0	0	0	0	0	0	0
5	Mr. Suriya Prasatbuntitya	0	0	0	0	0	0	0	0	0	0
6	Ms. Prapa Puranachote	0	0	0	0	0	0	0	0	0	0
7	Mr. Hendrikus Van Westendorp	0	0	0	0	0	0	0	0	0	0
8	Mr. Aekarat Punnasung	0	0	0	0	0	0	0	0	0	0
<b>Total paid remuneration</b>		<b>355,000</b>	<b>260,000</b>	<b>0</b>	<b>105,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>110,000</b>	<b>420,000</b>

## (2) Other remuneration

The Extraordinary General Meeting of Shareholders of the Company No. 1/2022 held on April 8, 2022 and the ASIAN Annual General Meeting of Shareholders No. 1/2022 held on April 22, 2022 resolved to approve the Initial Public Offering (IPO) to directors, executives and/or employees of the Company and/or subsidiaries of the Company (Employee Stock Ownership Plan: ESOP). By such allocation, shares will be allocated in an amount not exceeding 1.57% of the ordinary shares offered to the public at this time or representing not more than 10,000,000 shares or 0.47% of the total paid-up capital of the Company after the initial public offering of ordinary shares (IPO). The offering price to directors, executives, and/or employees of the Company and/or its subsidiaries is equal to 90% of the initial public offering price of the Company's ordinary shares ("IPO Price"), which will be offered at the same time as the IPO. The list of directors of the Company who have been allocated the newly issued ordinary shares (ESOP) and the number of shares allocated are as follows:

No.	Names	Position	Total number of allocated ordinary shares (shares)
1	Mr. Vichai Assarasakorn	Chairman of the Board/Independent Director / Chairman of the Audit Committee	500,000
2	Mr. Kasemsit Pathomsak	Independent Director/Member of the Audit Committee / Member of the Nomination and Remuneration Committee	400,000
3	Lieutenant Sutthinan Hathawong	Independent Director / Audit Committee / Risk Management Committee	400,000
4	Mr. Somsak Amornrattanachaikul	Director / Chairman of the Executive Committee	500,000
5	Mr. Suriya Prasatbuntitya	Director / Member of the Nomination and Remuneration Committee	500,000
6	Ms. Prapa Puranachote	Director / Chairman of the Nomination and Remuneration Committee	500,000
7	Mr. Hendrikus Van Westendorp	Director / Member of the Executive Committee	500,000
8	Mr. Aekarat Punnasung	Director / Member of the Executive Committee / Managing Director / Chairman of the Risk Management Committee / Chairman of the Corporate Governance and Sustainability Management Committee / Chairman of the Credit Committee	500,000
<b>Total</b>			<b>3,800,000</b>



None of the directors, executives and/or employees of the Company and/or its subsidiaries have been allocated more than 5.00% of the newly issued ordinary shares (ESOP).

In addition, directors who hold executive positions and/or employees will not be allocated new ordinary shares for positions other than directors.

However, according to the Financial Reporting Standard No. 2 Re: Share based payments of IPO to directors, executives, and/or employees of the Company and /or a subsidiary of the Company (ESOP) at a discounted price from the IPO price, the Company will recognize expenses for the difference between the fair value of the shares (in which case Based on the IPO price) and the value received from the ESOP ordinary shares in the quarter of the Company's initial public offering. In this regard, the Company estimates that such expenses will not exceed 5.50 million baht.

### 8.1.3 Supervision of Subsidiaries and Associated Companies

The Company has established a policy for supervision and management of subsidiaries and associated companies with the objective to determine both direct and indirect measures and mechanisms for the Company to be able to supervise and manage the affairs of subsidiaries and associated companies, including monitoring and supervising subsidiaries and associated companies to comply with various measures and mechanisms as defined by the Company itself and in accordance with the Company's policies, public company laws, the Civil and Commercial Code, securities laws and related laws, as well as announcements, regulations and relevant rules of the Capital Market Supervisory Board, the SEC Office, and the Stock Exchange of Thailand. This is to maintain the benefits of the Company's investments in such subsidiaries and associated companies. The details of the policy are as follows:

- (1) The Company will send a person representing the Company to be a director in each subsidiary and/or associated company according to the proportion of shareholding in each company to supervise the subsidiary and/or associated company to comply with the law, and other policies of the Company as appropriate. However, sending a representative of the Company to be a director in each subsidiary and/or associated company must be considered and approved by the Board of Directors' meeting, taking into account the suitability of each company.

For the investment in Asian Group SCS Europe GmbH ("AGE"), a joint venture in which the Company holds 60% of shares, the Company and the other party have the right to appoint half of the total number of directors according to the terms of the shareholders' agreement (at present, the Company appoints one director from a total of two persons). The Company considers that this proportion of directors' appointment is appropriate due to AGE operates as a procurement agent for customers who are brand owners in Europe, which requires joint management of both parties, as well as there being business activities and small enterprises from representing the supply of branded products to a single company. In this regard, the Company regularly monitors the performance of AGE, and the Company can verify the revenue from sales of AGE, which comes from the commission paid by the Company.

- (2) If the entering into any transaction or action of subsidiaries that fall under the scope of acquisition or disposition of assets or connected transactions according to the relevant announcements of the Stock Exchange of Thailand, the Capital Market Supervisory Board, and the Securities and Exchange Commission, which will result in the Company having to seek approval from the Board of Directors' meeting and/or shareholders' meeting of the Company or seek approval from relevant legal authorities prior to entering into the transaction, subsidiaries will be able to enter into or operate such transactions only after obtaining approval from the Board of Directors' meeting of the Company and/or the Company's shareholders' meeting and/or related agencies (as the case may be).

In addition, if the transaction or occurrence of certain events of the subsidiary causes the Company to disclose information to the Stock Exchange of Thailand in accordance with the rules specified in the Stock Exchange of Thailand's announcement, the representative director of the subsidiary has a duty to notify the company secretary of the Company immediately upon acknowledgement of the subsidiary's plan to enter into such transaction or the occurrence of such event.

- (3) The Board of Directors and executives of each subsidiary and/or associated company will have significant scope of duties and responsibilities in accordance with relevant laws, such as disclosure of information about financial status and operating results to the Company by enforcing the relevant announcements of the Stock Exchange of Thailand and the Capital Market Supervisory Board mutatis mutandis, as well as disclosing and submitting information about their own interests and that of the related persons to the Board of Directors to be informed of relationships and transactions with the Group of Companies in a manner that may cause conflicts of interest and avoid making transactions that may cause conflicts of interest.
- (4) The Company will determine plans and take necessary actions to ensure that its subsidiaries and/or associates disclose information about their results of operations and financial position to the parent company and the Company will take necessary actions and monitor the subsidiaries and/or affiliates to ensure their implementation of information disclosure systems and internal control systems that are sufficient and appropriate for business operations.

In addition, the Company will closely monitor the operating results and operations of such subsidiaries and/or associated companies and presents the results of the analysis as well as expressing opinions or recommendations to the Board of Directors and the Board of Directors of the subsidiaries or associated companies to be used to support for the consideration of the formulation of policies or to improve and enhance the continuous growth and development of the subsidiaries and associated companies.

The Company will also supervise subsidiaries and/or affiliates and/or joint ventures to comply with the rules of the Securities and Exchange Act B.E. 2535 (1992), (including amendments), regulations, notifications, orders, and relevant rules of the Capital Market Supervisory Board and/or the Securities and Exchange Commission and/or the Stock Exchange, including strictly complying with the requirements prescribed by laws or regulatory agencies in relation to the criteria for acquisition or disposal of assets and connected transactions.

#### 8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

The Company realizes that good corporate governance is an important foundation for business operations. The Company, therefore, places great importance on good corporate governance by stipulating related policies and guidelines in the Company's corporate governance policy and business code of conduct, as well as promoting real practice to build confidence among all groups of stakeholders. The Company assigns the Corporate Governance and Sustainability Management Committee to be responsible for monitoring compliance with the policies and guidelines for corporate governance in 8 principles.

In addition, the Company has also supervised to ensure compliance with good corporate governance in 4 other areas as follows:

##### (1) Prevention of conflicts of interest

The Company operates on the principle that all directors, executives, and employees must perform their duties in the best interest of the Company. Therefore, any action and decision must be free from the influence of personal, family, relatives or other personal acquaintances by following the Company's regulations with the same standard. Personnel at all levels of the Company and its subsidiaries must comply with the following practices.

1. Directors and executives should refrain from operating business that is of the same nature and in competition with the business of the Company or its subsidiaries, whether for personal benefit or others, which may cause damage to the Company or its subsidiaries either directly or indirectly or become a partner or shareholder with decision-making power or management in an entity that competes with or is of the same nature as the Company or its subsidiaries, unless it can be shown that such action will not affect the Company or its subsidiaries, and there will be measures for the best interests of the Company and shareholders as a whole.
2. Directors and executives should refrain from holding shares in competitors of the Company or its subsidiaries in significant amounts if doing so will cause the directors and executives to be unable to perform or omit to act according to their duties or responsibilities or has an impact on the job. In the event that directors and executives acquire such shares before being directors and executives or before the Company or subsidiary enters into that business or is acquired through inheritance, directors and executives must report to the company secretary immediately.
3. Directors and executives must disclose business transactions or affairs that are carried out personally or with family or relatives or dependents that may cause a conflict of business interest with the Company or its subsidiaries by reporting to the company secretary. These transactions and affairs are for example:
  - (a) Joint investment or interest with traders who do business with the Company or its customers.
  - (b) Holding any position or even being an advisor to a trader doing business with the Company or its customers.
  - (c) Trading goods or providing services to the Company or its subsidiaries directly or through others.
4. Employees and their families must not engage in any business that directly or indirectly competes with the Company, including not taking any action that may cause a conflict of interest with the Company or its subsidiaries, whether it is the use of inside information acquired from being an employee for personal gain and in doing business that competes with the Company or its subsidiaries or perform work other than the work of the Company or its subsidiaries which affects the performance of employees.
5. Employees must not accept benefits from the shareholders of competitors or any business, including partners with whom the Company deals improperly. However, in the event that the shares of such competitors or trade partners are listed on the SET, it is considered that the purchase of shares of a listed company or investment through funds or investment units is not a conflict of interest as long as it does not affect the performance of employees.
6. Directors, executives, and employees must avoid engaging in activities that may cause conflicts of interest with the Company or its subsidiaries or interfere with the effective performance of duties.
7. Directors, executives, and employees will not seek benefits for themselves or others based on the Company's confidential information such as plans, income, meeting resolutions, business projections, research results, or biddings for personal benefit, regardless of whether or not it causes damage to the Company or its subsidiaries. Furthermore, directors, executives, and employees of the Company must strictly comply with the policy on the use of inside information of the Company.
8. The Board of Directors shall supervise the Company and the management to accurately and completely disclose information about transactions that may lead to conflicts of interest in the annual information disclosure form/annual report, including supervising the Company to strictly comply with the rules, methods, and disclosure of connected transactions as required by law or regulatory agencies and in accordance with the Company's regulations.
9. Directors, executives, employees, and any person including sub-committees who have interests in any agenda shall not have the right to vote and shall not participate in the meeting on any agenda that they have conflicts of interest with.
10. In the event that it is necessary to enter into a connected transaction, such transaction shall be in accordance with general trading conditions in accordance with the principles approved by the Board of Directors with transparency and fairness, comparable to a transaction with a third party and taking into account Company's best interests.
11. In the event that a connected transaction is not in accordance with general trading conditions as approved by the Board of Directors or the nature and size of the transaction are not within the management's consideration authority, it must be reviewed and commented on by the Audit Committee before proposing for approval from the Board of Directors and/or shareholders (as the case may be).





12. In the case of appointing a new director, the Company Secretary shall notify the person nominated for appointment as a director so that such person can report details of his or her interest and/or conflict of interest with the Company in conducting business activities in writing and sent to the Company for acknowledgement so that the Company will deliver such details to all shareholders at least 14 days in advance before the date of the shareholders' meeting to have the resolution to appoint.

## (2) Using inside information to seek benefits

The Company is aware of the importance of using inside information. In order to comply with the Securities and Exchange Act, including related regulations, the Company has set a policy on the use of inside information as follows.

1. Directors, executives, employees, and staff of the Company and its subsidiaries who know or possess inside information and/or are in a position or line of work responsible for inside information or have access to inside information must not:
  - (1) Buy or sell the Company's securities or enter into derivative contracts related to the Company's securities either for themselves or others.
  - (2) Disclose inside information to other persons, directly or indirectly, by any means, knowing or ought to know that the recipient may use such information for the purpose of buying or selling the Company's securities or enter into derivative contracts related to the Company's securities, whether for themselves or others.
2. Directors, executives, employees, and staff of the Company and subsidiaries in the financial sector must:
  - (1) Suspend the purchase or sale of the Company's securities whether for themselves or others.
  - (2) Not disclose financial information to other people whether directly or indirectly.

In this regard, the Company's securities should not be bought or sold for at least 30 days before the Company discloses its annual or quarterly financial information to the Stock Exchange of Thailand and should wait at least 24 hours after such disclosure before doing so.
3. If the trading partner of the Company and its subsidiaries is a company whose shares are listed on the Stock Exchange of Thailand and entering into transactions with such trading partner may be considered inside information of the trading partner, the directors, executives, employees, and staff of the Company and its subsidiaries are obligated to process such partner's inside information in the same manner as the Company's inside information as stated in item 1 above.
4. In the event that the Company has inside information which is not yet disclosed for reasons that are inconclusive or highly uncertain, directors, executives, employees, and staff of the Company and related subsidiaries are responsible for maintaining the confidentiality of such information to prevent anyone from exploiting or unlawfully disclosing the information. Such persons should comply with the Guidelines for Handling of Confidential Information that Affects Securities Prices prepared by the SEC Office.

In addition, in the event that it is necessary to disclose inside information to relevant persons who play a necessary role for the Company, such as legal advisors in charge of advising transactions or the Credit Rating Agency (CRA), directors, executives, employees, and staff of the Company and related subsidiaries must ensure that the recipients are aware of their duties and have a system to maintain the confidentiality of information to prevent the use of such or disclosure of such information to others.

In this regard, the guideline for handling confidential information that affects the price of securities prepared by the SEC Office shall be applied.

The Company will organize training on the use of inside information policy for directors, executives, employees, and staff of the Company and related subsidiaries once a year to reestablish their understanding and to ensure compliance with the Securities and Exchange Act.

In addition, the Company will provide training to educate new directors and executives about their duty to prepare and disclose reports on the holding and changes in securities holdings of directors and executives as well as those related to the directors and executives under section 59 of the Securities and Exchange Act and relevant announcements of the SEC Office. The Company has assigned directors and/or executives to submit such reports to the company secretary to submit to the SEC. In the event that directors and/or executives submit such reports to the SEC Office by themselves, such directors and/or executives shall submit a copy of the report to the company secretary within the same day that the report is submitted to the SEC Office.

5. In the event that the Company holds shares or any other securities in other companies whose shares are listed on the Stock Exchange of Thailand, it must not appear that directors, executives, employees, or staff of the Company take any action that may affect changes in the price of shares or securities of that listed company significantly or may mislead the general public about the price or trading volume of that stock or security.
6. If the company finds any directors, executives, employees, and staff of the Company and related subsidiaries violate the inside information policy, the Company will consider disciplinary action according to the regulations set by the Company by considering the intent of the action and the severity of that offence.

### (3) Anti-Corruption

The Company has an ideology to conduct business with integrity by being committed to the responsibilities it has towards society and all groups of stakeholders according to good corporate governance to show the intention and determination to fight against all forms of corruption. To ensure that the Company has a policy to define accountability, guidelines, and requirements for proper action to prevent corruption in all business activities of the Company and to ensure that business decisions and actions that may pose a risk of corruption are carefully considered and acted upon, the Company, therefore, has established a policy against corruption to function as a clear practical guideline for the Company's business conduct and development into a sustainable organization. The Company has established the scope of the policy with material details as follows.

#### 1. Anti-corruption

The Company gives importance to anti-corruption as well as supporting and encouraging all levels of employees to have awareness against all forms of corruption. Therefore, the Company has established guidelines that are consistent with the existing policies as well as for all levels of employees, including directors, executives, and employees of the group of companies to adhere to as the norm in their work, ensuring that they do not accept corruption in all forms, both directly and indirectly, covering all businesses in every country and all relevant agencies. The Company monitors the implementation of measures and regularly review the anti-corruption policy and guidelines to be in line with changes in business, rules, regulations, and legal requirements.

#### 2. Political assistance

The Company supports legal compliance under the democratic regime with the King as Head of State and has a policy of political neutrality. Directors, executives or employees of the Company have personal freedom to participate in political activities under the provisions of the Constitution.

#### 3. Charity donation

The Company has a policy to support community participation by making charitable donations. Giving or accepting charitable donations or sponsorships can be done in activities that clearly show that they are charitable and must be transparent and legal and ensure that donations are not used as an excuse for bribery.

#### 4. Supporting fund

The Company has a policy to provide financial support only for activities with business objectives or good reputation and image of the Group without hidden intentions for business benefits or commercial advantages.

### Duties and Responsibilities of Executives for Anti-Corruption Policy (Measures/Operational Guidelines)

1. The Board of Directors has a duty and responsibility for approving the policy and supervising the establishment of a system that supports the anti-corruption policy as well as encouraging personnel at all levels to realize the importance and awareness of effective anti-corruption to ensure that the management realizes and gives importance to anti-corruption and instills it into the company's corporate culture, including reviewing the suitability of various systems and measures to comply with changes in business, regulations, and legal requirements.
2. Directors and executives must take the lead in implementing anti-corruption measures, including giving suggestions to personnel under their supervision on the best practices to comply with the anti-corruption policy.
3. The Risk Management Committee is responsible for establishing a policy framework and risk management guidelines, including procedures for assessing the risk of business processes against corruption.
4. The Audit Committee has a duty and responsibility for reviewing financial and accounting reporting systems, internal control systems, internal audit systems, and risk management systems to ensure they meet international standards, and are concise, appropriate, and effective without violating the Anti-Corruption Policy.
5. The Risk Management Committee is responsible for determining measures, regulations, whistleblowing channels, investigations, and penalties for submission to the Board of Directors, including determining the method of communication and training for employees and related parties
6. The internal audit department has a duty and responsibility for auditing and reviewing whether the operations are correct, and in accordance with policies, guidelines, operational authority, regulations and the law to ensure that there is an internal control system that is appropriate and adequate to the risk of corruption that may occur, including investigating the case of whistleblowing and reporting to the Audit Committee.



7. This Anti-Corruption Guideline covers personnel management processes from recruitment or selection, promotion, training, performance appraisal and employee remuneration. Supervisors at all levels have a duty to communicate and create understanding with their subordinates to apply in business activities under their responsibilities and to oversee operations to ensure efficiency in accordance with this guideline.
8. The Company will provide fairness and protection to employees or other persons who report clues or evidence of corruption related to the Company and its subsidiaries, including employees who refuse to take corrupted actions by using protection measures for complainants or those who provide information or those who cooperate in reporting corruption as specified in the complaint and whistle blowing policy.
9. Those who commit corruption are considered violators of the work regulations governing personnel management for employees. They will be subject to disciplinary action as specified and may be punished according to the law if the action is illegal.
10. The Company will regularly review the guidelines and operational measures to be consistent with changes in laws and business conditions.
11. The Company is committed to creating and maintaining a corporate culture that sees corruption as unacceptable, including seeing the importance of disseminating, educating, and creating an understanding with others who have to perform duties related to the Company in matters that must be complied with the anti-corruption policy.

#### (4) Whistleblowing

The Company places importance on good corporate governance, conducting business correctly, fairly, transparently and verifiably. Therefore, it provides an opportunity for stakeholders both inside and outside the organization to report suspicions or complaints about suspected violations of the law, good corporate governance principles, regulations, company regulations, policies, business code of conduct, inaccurate financial reporting or a defective internal control system of the Company. The Company has established channels, methods, investigation procedures, and protection of the rights of complainants and those who provide facts under the Whistleblowing and Complaints Policy along with specifying protection measures to protect complainants or those who provide information or provide clues for investigation clearly. The channels for receiving complaints are as follows:

1. Hotline for complaints (24 hours) Tel: 095 – 372 – 0144
2. Company Secretary, Asian Alliance International Public Company Limited
  - E-mail : AAI-Secretary@asianalliance.co.th
  - Post address : Company Secretary  
Asian Alliance International Public Company Limited  
55/2 Rama 2 Road, Bang Krachao Subdistrict, Mueang District, Samut Sakhon Province 74000
3. Internal Audit Department, Asian Alliance International Public Company Limited
  - E-mail : AAI-IA@asianalliance.co.th
  - Post address : Internal Audit Manager  
Asian Alliance International Public Company Limited  
55/2 Rama 2 Road, Bang Krachao Subdistrict, Mueang District, Samut Sakhon Province 74000
4. Managing Director, Asian Alliance International Public Company Limited
  - E-mail: Aekarat@asianalliance.co.th
  - Post address : Managing Director  
Asian Alliance International Public Company Limited  
55/2 Rama 2 Road, Bang Krachao Subdistrict, Mueang District, Samut Sakhon Province 74000
5. Audit Committee, Asian Alliance International Public Company Limited
  - E-mail : AAI-AC@asianalliance.co.th
  - Post address: Audit Committee  
Asian Alliance International Public Company Limited  
55/2 Rama 2 Road, Bang Krachao Subdistrict, Mueang District, Samut Sakhon Province 74000
6. Complaints Box

The full version of the Complaints and Whistleblowing Policy can be read at



**However, during the year 2022, the Company did not receive any suspicions and complaints.**

## 8.2 Report on performance of the Audit Committee for the past year

### Audit Committee Meeting

Audit Committee meetings of 2022 were attended together with the executives, internal auditor, and accounts auditor according to the details below:

No.	Name	Number of meeting attendance / number of meetings
1	Mr. Vichai Assarasakorn	5/5
2	Mr. Kasemsit Pathomsak	4/5 <sup>1/</sup>
3	Lieutenant Sutthinan Hatthawong	5/5

Note:

<sup>1/</sup> Mr. Kasemsit Pathomsak did not attend the Audit Committee Meeting No. 1/2022 due to being committed to another appointment.

### Performance of the Audit Committee

Performance of the Audit Committee in 2022 can be summarized as follows:

1. Reviewed the Company and its subsidiaries' quarterly and annual financial statements for the year 2021 and the quarterly and annual financial statements for the year 2022 by inquiring and listening to clarifications from the management and the auditor on the accuracy and completeness of the financial statements and the adequacy of information disclosure, observations, and innovations for audit development. The Audit Committee agreed with the auditor that the financial statements of the Company and its subsidiaries have been displayed correctly as they should in all material respects in accordance with financial reporting standards, and they are credible and useful to the users of financial statements.
2. Reviewed and gave opinions on related party transactions and connected transactions or transactions that may have conflicts of interest, including the disclosure of such transactions according to the regulations of the Stock Exchange of Thailand and the SEC.
3. Reviewed the internal control system to ensure that the Company has an adequate, appropriate, and effective internal control system by evaluating the audit results of the internal auditors. In addition, the Committee urged the executives to make improvements according to the internal auditor's recommendations within the specified period. Based on such review, the Audit Committee is of the opinion that the Company's internal control system is appropriate and adequate and does not find any material defects that affect the Company's financial statements.
4. Considered and approved the annual audit plan of the internal auditors that has been developed and improved to be effective and cover important work/departments. Reviewed the internal audit reports on the operations of the Company and its subsidiaries, starting from planning the report and following up on the implementation of the suggestions made by the Company's internal auditors to ensure efficiency.
5. Considered, selected, and proposed the appointment of an internal auditor, and budget for internal audit fees for the year 2022 based on performance, qualifications, skills, knowledge, and work experience. The Committee proposed the appointment of ANS Business Consultants Co., Ltd., an independent internal control auditor, to be the Company's internal auditor for the year 2022 and proposed the budget for the internal audit fee for the year 2022 for approval.
6. Considered, selected and proposed the appointment of an auditor and the audit fee for the year 2022, based on performance, qualifications, skills, knowledge, and work experience. The Committee proposed the appointment of EY Office Limited as the auditor of the Company, as well as proposing the audit fee for the year 2022 for approval.
7. Reviewed to ensure that the Company and its subsidiaries comply with all relevant accounting standards, laws, regulations of the Stock Exchange of Thailand, and laws relating to the business of the Company and its subsidiaries completely, accurately, and according to good corporate governance principles.
8. Reviewed the adequacy of the Company's risk management process and carried out an audit based on the risks involved, with Lieutenant Sutthinan Hatthawong, who is a member of the Audit Committee, joining as a member of the Risk Management Committee as well, with an aim to develop the Company's risk management work to be more intensive and comprehensive.
9. Supporting the development of internal auditors as well as developing guidelines for internal auditing to meet international quality standards with the goal of having the internal audit department provide training to develop knowledge about relevant standards or even laws.

The Audit Committee performed their duties with prudence, caution, and sufficient independence and was of an opinion that the Company had accurate financial and operating reports, internal control systems, internal audits, and disclosure of related transactions and connected transactions correctly, as well as having operations that comply adequately with the good corporate governance system and are reliable. In addition, there is a continuous development and improvement on the operating system to be of better quality and suitable for the business environment.



## 8.3 Summary of performance of other sub-committees

### 1) Executive Committee

#### Executive Committee Meeting

Meeting attendance of the Executive Committee for the year 2022 is as follows:

No.	Names	Position	No. of meeting attendance/ No. of meetings
1	Mr. Somsak Amornrattanachaikul	Chairman	
2	Mr. Aekarat Punnasung	Committee	12/12
3	Mr. Hendrikus Van Westendorp	Committee	11/12 <sup>1/</sup>
4	Ms. Varanratch Assanupong	Committee / Secretary of the Committee	12/12
5	Mr. Bundit Pichetpongsa	Committee	11/12 <sup>2/</sup>
6	Mrs. Sasiyada Wilaiphol	Committee	11/12 <sup>3/</sup>
7	Mr. Akamon Prasoppolsujarit	Committee	12/12
8	Mrs. Ajara Mhordee	Committee	12/12
9	Ms. Benjaporn Pounsiri	Committee	10/12 <sup>4/</sup>
10	Ms. Somsri Maneechay	Committee	8/12 <sup>5/</sup>
11	Mr. Thawatwong Arunthong	Committee	9/12 <sup>6/</sup>

Note:

<sup>1/</sup> Mr. Hendrikus Van Westendorp did not attend the Executive Committee Meeting No. 5/2022 due to being engaged in another duty.

<sup>2/</sup> Mr. Bundit Pichetpongsa did not attend the Executive Committee Meeting No. 3/2022 due to being engaged in another duty.

<sup>3/</sup> Mrs. Sasiyada Wilaiphol did not attend the Executive Committee Meeting No. 6/2022 due to being engaged in another duty.

<sup>4/</sup> Ms. Benjaporn Pounsiri did not attend the Executive Board Meeting No. 3/2022 and No. 4/2022 due to being engaged in another duty.

<sup>5/</sup> Ms. Somsri Maneechay did not attend the Executive Committee Meeting No. 6/2022, No. 9/2022, No. 10/2022 and No. 11/2022 due to being engaged in another duty.

<sup>6/</sup> Mr. Thawatwong Arunthong did not attend the Executive Committee Meeting No. 6/2022, No. 9/2022 and No. 10/2022 due to being engaged in another duty.

#### Performance of the Executive Committee

Performance of the Executive Committee in 2022 can be summarized as follows:

1. Consider and prepare policies, directions, business strategies, goals and operational plans, financial goals, budgets, human resource management, investment expansion, public relations of the Company and its subsidiaries and to supervise the operations of the appointed working group to achieve the goals by considering business factors appropriately.
2. Supervise, inspect, and monitor the business operations of the Company and its subsidiaries in accordance with the policies, business strategies, goals and operational plans, financial goals, and budgets of the Company and its subsidiaries to be efficient and effective, conducive to business conditions, including providing advice on management to senior executives.
3. Study the feasibility of investing in new projects and consider and give approval to the Company and its subsidiaries to invest or jointly invest with individuals, juristic persons, or any other business organizations in the form that the Executive Board deems appropriate to carry out business in accordance with objectives of the Company and its subsidiaries.

Executive Committee has performed its duties with the belief that the operations of the Company and its subsidiaries are in line with the established business directions and strategies and are efficient and consistent with good corporate governance principles and practices so that the Company and its subsidiaries can be successful in accordance with the set objectives, policies, and plans.



## 2) Risk Management Committee

### Risk Management Committee Meeting

The attendance of the meetings of the Risk Management Committee for the year 2022 is as follows:

No.	Names	Position	No. of meeting attendance/ No. of meetings
1.	Mr. Aekarat Punnasung	Chairman	5/5
2.	Ms. Varanratch Assanupong	Committee / Secretary of the Committee	5/5
3.	Lieutenant Sutthinan Hatthawong	Committee	5/5
4.	Mr. Bundit Pichetpongsa	Committee	5/5
5.	Mrs. Sasiyada Wilaiphol	Committee	5/5
6.	Ms. Benjaporn Pounsiri	Committee	5/5
7.	Ms. Somsri Maneechay	Committee	5/5
8.	Mr. Santi Vilaiphol	Committee	5/5
9.	Ms. Wijitra Thiangtham	Committee	5/5

### Performance of the Risk Management Committee

Performance of the Risk Management Committee in 2022 can be summarized as follows:

1. Review policies related to risk management and supervise the operations of the Company to achieve its goals by considering risk factors comprehensively and appropriately.
2. Conduct an annual corporate risk review and oversee ongoing, regular assessments as well as assessing and registering new risks in the year that may have a significant impact on the operations of the Company and its subsidiaries, including considering the establishment of an appropriate risk management plan and assigning relevant departments to be responsible for managing such risks. It also ensures that the assessed risks cover all four major risks, namely:
  - 1) Strategic Risk
  - 2) Operational Risk
  - 3) Financial Risk
  - 4) Compliance Risk
3. Review the risk measurement criteria to ensure that the risk measurement criteria used are appropriate and consistent with the current situation.
4. Acknowledge the business unit level risk assessment report and require an audit that risk management is properly monitored and consider upgrading business-level risks that are high-risk and/or risk-sensitive for all businesses to upgrade them to corporate-level risks in order for the Risk Management Committee to implement a risk assessment and plan for the management of risk.

The Risk Management Committee has performed its duties in the belief that the risk management of the Company and its subsidiaries is continual and efficient, in line with good corporate governance principles and practices in order for the Company and its subsidiaries to be able to achieve its goals and provide the greatest benefits to all shareholders and stakeholders appropriately.



### 3) Nomination and Remuneration Committee

#### Nomination and Remuneration Committee Meeting

Meeting attendance of the Nomination and Remuneration Committee for the year 2022 is as follows:

No.	Names	Position	No. of meeting attendance/ No. of meetings
1	Ms. Prapa Puranachote	Chairman	3/3
2	Mr. Suriya Prasatbuntitya	Committee	3/3
3	Mr. Kasemsit Pathomsak	Committee	1/3 <sup>1/</sup>
4	Lieutenant Sutthinan Hatthawong	Committee	1/3 <sup>2/</sup>

Note:

<sup>1/</sup> Mr. Kasemsit Pathomsak did not attend the Nomination and Remuneration Committee Meeting No. 2/2022 due to being engaged in another duty.

<sup>2/</sup> Lieutenant Sutthinan Hatthawong was appointed as a member of the Nomination and Remuneration Committee by the Board of Directors Meeting No. 4/2022 held on August 4, 2022, and therefore attended the meeting no. 3/2022 only.

#### Performance of the Nomination and Remuneration Committee

Performance results of the Nomination and Remuneration Committee in 2022 can be summarized as follows:

1. Consider nominating persons to propose to the Board of Directors and the shareholders' meeting for election as directors upon conversion to a public company to ensure that the Board of Directors will consist of qualified directors according to the Company's Board Skill Matrix.
2. Considered remuneration for directors and senior executives for the year 2022 and proposed to the Board of Directors for approval.
3. Considering the criteria for evaluating the performance of employees at various levels and considering the criteria for paying bonuses and promotions of employees for the year 2022.
4. Review the welfare of the Company and its subsidiaries, including employee health insurance benefits to be in line with the current situation so that employees have good morale and motivation in performing their duties to the best of their abilities.
5. Approve the results of the performance evaluation of the Board of Directors, both individually and as a group, and the performance of senior executives, and present them to the Board of Directors.
6. Monitor the implementation of the succession plan.

The Nomination and Remuneration Committee has performed its duties independently in accordance with the principles of good corporate governance in order to ensure that the nomination and remuneration process is transparent and creates confidence for shareholders and all stakeholders.

### 4) Corporate Governance and Sustainability Management Committee

#### Corporate Governance and Sustainability Management Committee Meeting

Meeting attendance of the Corporate Governance and Sustainability Management Committee for the year 2022 is as follows:

No.	Names	Position	No. of meeting attendance/ No. of meetings
1	Mr. Aekarat Punnasung	Chairman	4/4
2	Ms. Varanratch Assanupong	Committee/Secretary of the Committee	4/4
3	Mr. Bundit Pichetpongsa	Committee	4/4
4	Mrs. Sasiyada Wilaiphol	Committee	4/4
5	Ms. Benjaporn Pounsiri	Committee	4/4
6	Ms. Somsri Maneechay	Committee	4/4
7	Mr. Santi Vilaiphol	Committee	4/4
8	Ms. Wijitra Thiangtham	Committee	4/4
9	Mr. Thawatwong Arunthong	Committee	3/4 <sup>1/</sup>

Note:

<sup>1/</sup> Mr. Thawatwong Arunthong did not attend the Corporate Governance and Sustainability Management Committee Meeting No. 3/2022 due to being engaged in another duty

## Performance of the Corporate Governance and Sustainability Management Committee

Performance of the Corporate Governance and Sustainability Management Committee in 2022 can be summarized as follows:

1. Review the Company's good corporate governance policy to be in line with the principles of good corporate governance for listed companies as specified by the Stock Exchange of Thailand and the SEC as well as formulating business code of conduct, sustainable management policies, and social responsibility policies of the Company and its subsidiaries, as well as determining relevant announcements, regulations, or orders in order to achieve goals, objectives, and work plans efficiently.
2. Supervise and ensure that good corporate governance policy, business code of conduct, social responsibility policy, and sustainability management policy produce concrete practical results.
3. Review the Sustainable Development Goals (SDGs) to suit the business operations covering economic, social, and environmental dimensions, including setting goals and projects that support sustainable development according to the goals for the year 2022.
4. Monitor and supervise compliance with the plan according to the sustainability management policy.

The Corporate Governance and Sustainability Management Committee has performed their duties with full capacity and is committed to further developing the sustainability management work of the Company and its subsidiaries for the sustainability of the organization and to achieve the vision and achieve the sustainability goals of the Company

## 5) Credit Committee

### Credit Committee Meeting

The meeting attendance of the Credit Committee for the year 2022 is as follows:

No.	Names	Position	No. of meeting attendance/ No. of meetings
1.	Mr. Aekarat Punnasung	Chairman	6/6
2.	Ms. Varanratch Assanupong	Committee	6/6
3.	Mr. Bundit Pichetpongsa	Committee	6/6
4.	Mrs. Ajara Mhordee	Committee	6/6

### Performance of the credit committee

Performance of the Credit Committee in 2022 can be summarized as follows:

1. Consider, review, and determine the credit term policy and the maximum limit of amount of overdue goods in each period for each customer.
2. Review and update information in the SAP system to increase the efficiency of analyzing outstanding receivable balances.
3. Consider and approve the policy to prevent doing business with customers with credit problems or fraudulent behavior and propose to the Board of Directors for approval.
4. Consider the status of outstanding debtors and guidelines for follow-up and collection of overdue debtors.

The credit committee performs its duties to the best of its ability and operates efficiently in line with the business plan of the Company in order for the Company and its subsidiaries to achieve the set objectives, policies, and plans.



## 9. Internal Control and Related Party Transactions

### 9.1 Internal Control

The Company realizes the importance of good internal control, so it focuses on having appropriate and effective internal control to increase operational efficiency, and asset maintenance, including an accurate and reliable accounting and financial reporting system and compliance with laws, rules, and regulations related to the Company's business operations in line with acceptable risk management to the Board of Directors in order to achieve business goals and add value to stakeholders according to the principle of good corporate governance. The Internal Audit Department, which is independent from the management and reports directly to the Audit Committee, is responsible for reviewing and evaluating the effectiveness and adequacy of the internal control system, including the implementations of departments of the Company and its subsidiaries, based on an annual audit plan approved by the Audit Committee to comply with changing circumstances and risks. It also ensures that the Company's internal control system is effective and efficient in its business operations. The Company has applied the guidelines of the internal control system based on the international standards called COSO (the Committee of Sponsoring Organizations of the Treadway Commission) and the enterprise risk management framework to internal control, risk management, and corporate governance to be more complete in order to strengthen the internal control system to be able to respond and comply with the changing situation in a timely manner and to reasonably ensure that the Company can achieve its objectives according to the set goals.

### Board of Directors' opinions on the adequacy and appropriateness of the internal control system and risk management

Based on the "Internal Control System Adequacy Assessment Form" by the Office of the Securities and Exchange Commission (SEC), the Board of Directors and the Audit Committee prepared an assessment form on internal control system adequacy on April 8, 2022. Based on the results of the assessment, the Company has appropriate, concise, and adequate internal control; there is no difference in opinion from that of the Audit Committee, and the auditor has made no observations about internal control.

#### 9.1.1 Adequacy and appropriateness of the internal control system

The Board of Directors and the Audit Committee are of the opinion that the internal control system of the Company and its subsidiaries is adequate and appropriate. There is sufficient personnel to effectively implement the system, including the internal control system, the information system for operations, or known as the SAP system, and the operating manual to control, supervise, and monitor operations to be able to prevent the assets of the Company and its subsidiaries from being misused or used without authority, including accurate transactions. The auditor opines that the Company and its subsidiaries prepared financial statements in alignment with accounting standards and disclosed information in accordance with the law. The assessment of the adequacy of the internal control system of the Company is made by referring to the "Internal Control System Adequacy Assessment Form" by the Office of the Securities and Exchange Commission (SEC). Key points can be summarized according to five aspects of internal control elements as follows:

#### Control Environment

The Board of Directors and executives adhere to the values of integrity and ethics and focus on providing the company with an environment that facilitates an appropriate, concise, and adequate internal control system. The Company has set clear and measurable business goals, and its corporate governance policy is set in writing as a guideline for the Company's personnel, consisting of the Board of Directors, executives, and employees, to implement with transparency and accountability, resulting in confidence that the Company's operations will be conducted with fairness while considering the best interests of all stakeholders. The Company also establishes ethical practices to prevent conflicts of interest and encourages its personnel to perform their duties and make decisions on matters within the framework of ethics and integrity, including establishing an anti-corruption policy that requires employees not to participate in all forms of corruption, including giving or receiving bribes.

The Company defines a clear organizational structure and command line in balancing power and establishes a written operating authority manual for all parties to use as a guideline for performance by considering duties, responsibilities, and the internal control system.

#### Risk Assessment

The Company is aware of various risks that may occur under the influence of internal and external factors, including various environments that may affect business operations. The Company has provided risk management throughout the organization. Since the Board of Directors and executives value risk management, the Risk Management Committee is set up to formulate the risk management policy to cover the entire organization and supervise the implementation of a risk management system or process to reduce the impact on the Company's business appropriately.

In this regard, the Company's risk assessment considers changes from factors related to current and future business operations, emerging risk factors, and corruption-related risks. In addition, the Company establishes risk management guidelines appropriate to that risk in order to keep it at an acceptable level. There is a process for regularly reviewing the risk and monitoring the implementation according to risk management measures, as well as establishing additional measures to respond to such changes.

## Control Activities

The Company sets appropriate control standards in accordance with the risks in each operating system by considering appropriate control activities, whether they are preventive or detective.

The Company has determined a policy for approving transactions, considering the highest interests and transparency.

## Information and Communication

The Company has appropriate and effective information systems, information communication, and communication channels within the Company and with stakeholders outside the Company to support the implementation of internal control as required and to provide the Board of Directors, executives, and stakeholders with sufficiently important information for decision-making on important matters related to the Company.

The Company has an access control system and makes efficient use of the information system, and it reports important information to the management and the Board of Directors regularly for decision-making. In addition, the Company has invested in an information system, or SAP, to develop the Company's information system more effectively as well as making the internal control system more robust.

## Monitoring Activities

The Company establishes a monitoring and performance evaluation system to meet the set goals appropriately by regularly monitoring the progress in meetings of the Risk Management Committee, including compliance with business ethics.

The Company requires the Internal Audit Department to review the work systems by considering risk factors, including reporting the results of the audit and the audit progress to the Audit Committee and senior management on a quarterly basis. The Internal Audit Department can report the results immediately for the issues detected with high risk and urgency for corrections.

### 9.1.2 The Audit Committee's opinions on deficiencies in the internal control system

The Audit Committee supervises and reviews the internal control system through the Internal Audit Department, which is responsible for monitoring and evaluating the performance according to the standards for professional internal audit performance to ensure that the findings from the audit are revised and corrected appropriately in a timely manner. The Audit Committee is of the opinion that the Company's internal control system is appropriate and sufficient to operate effectively in accordance with the objectives and goals. The Audit Committee does not find any material defects.

### 9.1.3 The Audit Committee's opinions in the case of different viewpoints from the Board of Directors

The Board of Directors establishes an evaluation and monitoring system for the internal control system that takes into account all aspects, such as accounting and finance, operations, compliance with laws and regulations, asset management, and fraud cases that have a significant impact on the Company and its subsidiaries' financial position and reputation. The Internal Audit Department routinely analyzes the internal control system to make sure it is fully and properly functioning. Responsible individuals in linked departments are in charge of overseeing compliance with the internal control system. The internal control system's shortcomings are evaluated and reported promptly. The Audit Committee agrees with the Board of Directors that the internal control system of the Company and its subsidiaries is adequate, appropriate, and does not detect significant deficiencies, and the auditor had no observations about internal control.

### 9.1.4 The Audit Committee opined that the person who is the Head of the Internal Audit Department has sufficient education, experience, and training appropriate for the performance of duties.

For internal audits of the Company and its subsidiaries, the Company arranged for the Internal Audit Department to perform duties in 2022 in conjunction with the internal audit. The Audit Committee supervises the Internal Audit Department to build confidence, provide independent and fair advice to the audit, assess the adequacy of the internal control system, including following up on results of corrections or improvements, optimize the operating process to cover the work processes of the Company and its subsidiaries, and report directly to the Audit Committee to ensure that their operations have adequate, appropriate, and effective internal control systems, along with risk management, to be at an acceptable level for the Company and good corporate governance. In this regard, Mr. Wattichai Toaudta, the Internal Audit Manager and Secretary of the Audit Committee, was assigned to take charge of being the Head of the Internal Audit Department of the Company and its subsidiaries. The Company has considered Mr. Wattichai Toaudta's qualifications and has formed the opinion that he is suitable for performing such duties because he is independent, has a degree and professional qualifications as an internationally certified internal auditor (CIA), has skills and experience in internal auditing, has knowledge of internal control principles and risk management, and has good knowledge and understanding of businesses and industries similar to the Company. He has also continuously participated in various courses related to internal audit operations.

### 9.1.5 Guidelines for appointment, removal, and transfer of Head of the Internal Audit Department

The appointment, removal, and transfer of the Head of the Internal Audit Department must be approved (or obtain consent) by the Audit Committee. The qualifications of the Head of the Internal Audit Department are shown in Attachment 3.





## 9.2 Related Party Transactions

### 1. Details of persons who may have conflicts of interest with the Company and/or subsidiaries for the fiscal year ending December 31, 2021 and for the fiscal year ending December 31, 2022

Persons who may have conflicts and business characteristics	Relationship as of December 31, 2022
1. Asian Sea Corporation Public Company Limited (" <b>ASIAN</b> ") engaging in frozen seafood processing business.	<ul style="list-style-type: none"> <li>The major shareholder of the Company in the proportion of 70.00% of the Company's paid-up capital.</li> <li>There are three directors as follows:               <ul style="list-style-type: none"> <li>(1) Mr. Somsak Amornrattanachaikul</li> <li>(2) Mr. Suriya Prasatbuntitya</li> <li>(3) Ms. Prapa Puranachote</li> </ul> </li> <li>Mr. Somsak Amornrattanachaikul is a director of the Company and related person holding a total proportion of shares of 64.05% of the ASIAN paid-up capital.</li> </ul>
2. Asian Seafoods Coldstorage (Suratthani) Company Limited (" <b>ASIAN SURAT</b> ") operating frozen seafood processing business.	<ul style="list-style-type: none"> <li>ASIAN, the Company's major shareholder, holds 100% of the paid-up capital of ASIAN SURAT.</li> <li>There is one director as follows:               <ul style="list-style-type: none"> <li>(1) Mr. Somsak Amornrattanachaikul</li> </ul> </li> </ul>
3. Asian Feed Company Limited (" <b>AFEED</b> ") engaging in the business of manufacturing and distributing aquatic animal feed products.	<ul style="list-style-type: none"> <li>ASIAN, the Company's major shareholder, holds 100% of the paid-up capital of AFEED.</li> <li>There are two directors as follows:               <ul style="list-style-type: none"> <li>(1) Mr. Somsak Amornrattanachaikul</li> <li>(2) Mr. Aekarat Punnasung</li> </ul> </li> </ul>
4. Asian Food Company Limited (" <b>AFOOD</b> ") operating the business of importing food products from abroad for distribution in the country.	<ul style="list-style-type: none"> <li>ASIAN, the Company's major shareholder, holds 100% of the paid-up capital of AFOOD.</li> <li>There is one director as follows:               <ul style="list-style-type: none"> <li>(1) Mr. Somsak Amornrattanachaikul</li> </ul> </li> </ul>

### 2. Related party transactions of the Company and/or its subsidiaries with persons who may have conflicts

Transactions between the Company and/or its subsidiaries and persons who may have conflicts for the fiscal year ended December 31, 2021, and for the year ended December 31, 2022 can be summarized as follows:

#### 1) Product Sales List

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
1. The company sells human food.	ASIAN	Revenue from sales	0.22	-	The company sells human food to ASIAN, ASIAN SURAT, and AFEED upon the order of ASIAN, ASIAN SURAT and AFEED as gifts to employees of the respective companies and sells to executives and employees who are interested in ordering. The selling price, trade terms, and settlement of prices are comparable to the selling price, trade terms, and settlement of prices that the company sells to other customers who are not related to the company.
		Trade receivables	0.09	-	
	ASIAN SURAT	Revenue from sales	0.17	0.04	
		Trade receivables	0.08	-	
	AFEED	Revenue from sales	0.04	0.07	
		Trade receivables	0.02	-	

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
2. The company sells by-products.	AFEED	Revenue from sales	42.01	50.50	The company sells by-products, namely fishmeal, steamed fish water, and fish oil to AFEED with selling prices comparable to market prices, including trade terms and settlement of prices can be compared with the trade terms and settlement of prices that the company sells to other customers who are not related to the company.
		Trade receivables	2.81	2.12	

The Audit Committee considers that such transactions are appropriate and reasonable because such transactions are the sale of the Company's products in accordance with the Company's normal business operations. The selling price, trade terms, and settlement of prices are comparable to the selling price, trade terms, and settlement of prices sold by the Company to other customers not related to the Company.

## 2) Sales of Other Products

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
1. The company sells raw materials left over from the production process.	ASIAN	Other revenues	0.50	0.87	The company sells certain raw materials left over from the production process, such as tuna roe, to ASIAN. Generally, the company will use the residues as raw materials for fishmeal production. However, ASIAN has purchased tuna roe raw material from the company at a price higher than the price that the Company can sell for fishmeal products. Therefore, the transaction is beneficial to the company. In addition, trade terms and settlement of prices can be comparable to general trade terms and settlement of prices.
		Other receivables	-	-	
2. The company sells factory materials.	ASIAN	Other revenues	0.95	1.23	The company sells factory materials, such as diesel fuel to ASIAN, ASIAN SURAT and AFEED to support business operations in the ASIAN group because the company has oil storage tanks, which has sufficient capacity. The selling price can be compared to the actual procurement cost of the company, including trade terms and settlement of prices can be comparable to general trade terms and settlement of prices.
		Other receivables	0.10	0.20	
	ASIAN SURAT	Other revenues	0.06	0.10	
		Other receivables	0.02	0.11	
	AFEED	Other revenues	0.06	0.11	
		Other receivables	0.01	0.08	

The Audit Committee considered that the transaction selling other products abovementioned are appropriate and reasonable and benefit the company. The trade terms and settlement of prices can be compared to the actual cost of procurement of the company and/or comparable to general trade terms and settlement of prices.



## 3) Purchase of Raw Materials, Packaging and Other Products

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
1. The company buys seafood raw materials.	ASIAN	Cost of sales	8.66	5.19	The company purchases seafood raw materials, such as crab meat and fish meat from ASIAN and ASIAN SURAT to use as ingredients for toppings in pet food products. The company uses such seafood raw materials very little. The purchase of seafood raw materials from ASIAN and ASIAN SURAT helps the company to manage raw material procurement more conveniently and quickly. The selling price can be comparable to the actual procurement cost price of ASIAN and ASIAN SURAT, including trade terms and settlement of prices that are comparable to general trade terms and settlement of prices.
		Account payable	0.01	0.00	
	ASIAN SURAT	Cost of sales	-	0.13	
		Account payable	-	-	
2. The company purchases consumables.	ASIAN	Expenses	1.94	6.26	The company purchases consumables, such as ice from ASIAN SURAT, water tanks from ASIAN SURAT, and packaging bags for fishmeal products from AFEED for use in the company's production process to facilitate the company's business operations. The selling price is comparable to the cost price of procuring consumables of ASIAN, ASIAN SURAT and AFEED, or the price purchased by the company from other partners not related to the company (as the case may be), including the trade terms and settlement of prices. It is comparable to the trade terms and settlement of prices generally.
		Other payables	0.26	0.26	
	AFEED	Cost of sales	0.49	-	
		Trade Account payables	-	-	

The Audit Committee considers that such transactions are appropriate and reasonable because they are the purchase of consumables to support the Company's normal business operations. The selling price is comparable to the cost of procuring ASIAN, ASIAN SURAT and AFEED consumables or the price purchased by the Company from other partners that are not related to the Company (as the case may be), including the trade terms and settlement of prices that are comparable to the trade terms and settlement of prices generally.

#### 4) Rental Property

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
1. The company rents land for use as a factory location.	ASIAN	Expenses	6.00	8.60	<p>During 2020 - 2021, the company entered into a lease agreement for land with ASIAN, located at Ban Bo Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province. The total land area is approximately 38,804 square wah to be used as the company's factory location. The lease agreement is valid for three years and renews automatically for one year at a time. The rental rate is in accordance with the agreed rental rate of 500,000 baht per month.</p> <p>Currently, the company has entered into a 30-year lease agreement from January 1, 2022 - December 31, 2051. The company can renew the contract for another 30 years. The rental rate is 716,667 baht per month. The rental rate is based on the rental rate assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission (SEC), by considering the size of the area and comparing the rental rates in nearby areas.</p>
		Other payables	0.50	-	
2. The company rents buildings to be used as pet food production factories and rents warehouse buildings to be used as packaging storage.	ASIAN	Expenses	9.60	5.10	<p>During 2020 - 2021, the company entered into a 3-story building and warehouse lease agreements from ASIAN in the area of the company's factory, located at no. 5/5 Moo 3, Rama 2 Road, Ban Bo Subdistrict, Muang Samut Sakhon District, Samutsakorn Province. The total area is approximately 4,729 square meters and 1,440 square meters, respectively, to be used as a pet food product manufacturing factory and as a packaging storage area. The building lease agreement and warehouse lease agreement are valid for three years. The rental rate is in accordance with the agreed rental rate of 300,000 baht per month and 500,000 baht per month, respectively.</p> <p>Currently, the company has entered into a new building lease agreement. The contract period is three years from January 1, 2022 to December 31, 2024. The company can renew the contract for another three years. The rental rate is 425,000 baht per month. The rental rate is based on the rental rate assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission (SEC) by considering the size of the area and comparing the rental rates in nearby areas. However, for the warehouse building, the company does not rent the warehouse building because ASIAN has plans to renovate the warehouse building.</p>
		Other payables	0.80	-	



Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
3. The company rents building space.	ASIAN	Expenses	-	0.32	The company entered into a lease agreement for some area of approximately 200 square meters of the office building of ASIAN, located at no. 55/2 Moo 2, Rama 2 Road, Bangkrachao Subdistrict, Mueang Samut Sakhon District, Samut Sakhon Province for accounting, finance, internal audit, and corporate secretarial, and investor relations departments. The company entered into a lease agreement for three years from January 1, 2022 to December 31, 2024. The Company can renew the contract for three years at a time. The monthly rental rate is 135 baht per square meter, totaling 27,000 baht per month. The rental rate is based on the rental rate assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission (SEC) by considering the size of the area and comparing the rental rates in nearby areas.
		payables	-	-	

The Audit Committee considers that such transactions are appropriate and reasonable because they occur according to business necessity for ease of coordination. The company has entered into an office building lease agreement. The contract rental rate is comparable to the rental rate in the vicinity assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission (SEC).

## 5) Loan Lending

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
1. The company provides short-term loans.	ASIAN	Outstanding loan	-	-	The company provides short-term loans to ASIAN, which are due upon request and unsecured. Since the ASIAN Group has managed cash flow and internal financing in the form of centralization to be used as working capital and for financial cost management. The company charges interest rates comparable to the average loan rates received by financial institutions. Interest is paid on a monthly basis.  For short-term loans in 2021, ASIAN repaid all loans to the company in the fourth quarter of 2021. In June 2022, the company provided short-term loans to ASIAN as needed for its business operations, and ASIAN repaid all loans to the company within the same month.
		Interest income	12.62	0.04	
		Accrued interest	-	-	

The Audit Committee considers that such transaction is financial assistance, which arise as necessary to manage the liquidity and financial costs of the ASIAN Group. The company charges interest rates comparable to the average loan rates received by the company from financial institutions.



## 6) Loan transactions

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
1. The company borrowed short-term loans.	ASIAN	Outstanding loan	-	-	A subsidiary of the Company borrowed a short-term loan from ASIAN, which is due upon request and has no collateral due. In the past, ASIAN Group has centralized cash flow management and financing within the Group for use as working capital and for the management of financial costs. The company's subsidiary paid interest at a rate comparable to the average loan rate that ASIAN receives from financial institutions. The interest is due on a monthly basis. The subsidiary of the Company repaid all loans to ASIAN in the third quarter of 2021.
		Interest expense	0.37	-	
		Accrued interest	-	-	

The Audit Committee considers that the transaction is a financial assistance, which occurs as necessary to manage the liquidity and financial costs of the ASIAN Group. The Company's subsidiaries pay interest at a rate comparable to the average loan interest rate received by Asian financial institutions

## 7) Credit Guarantee with Financial Institutions

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
1. The company brings in assets to guarantee the loan.	ASIAN	Guarantee Limit	2,000.00	-	<p>In the past, the company has taken the property, including the factory building, which is owned by the company No. 8/8 and No. 8/9, Moo 3, Ban Bo Subdistrict, Muang Samut Sakhon District, Samut Sakhon Province, to guarantee the long-term credit line of ASIAN with financial institutions.</p> <p>The use of the collateralized property is subject to the conditions set by the financial institution and no compensation is charged for the importation of the collateralized property.</p> <p>ASIAN and the company released the said collateral in the first quarter of 2022.</p>
2. Individuals who may have conflict of interest join the company's joint credit guarantee.	ASIAN	Guarantee Limit	649.00	-	<p>In the past, ASIAN Group has centralized financial management using mutual credit lines for working capital and sources of funds within the Group for import and export of goods, and for the management of financial costs. ASIAN Group has joint credit lines consisting of 1) ASIAN; 2) ASIAN SURAT; 3) the Company; 4) AFEED; and 5) AFOOD. The financial institutions have established a form of guarantee for such credit lines. ASIAN is a guarantor for companies within the group that use joint credit lines, including the company.</p> <p>The participation in the guarantee is subject to conditions specified by the financial institution and no compensation is charged for such participation.</p> <p>ASIAN and the company terminated the conditions under which the company used the joint credit line in the first quarter of 2022.</p>



Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022	
3. The company joins a credit line guarantee with a person who may have a conflict.	ASIAN ASIAN SURAT AFEED and AFOOD	Guarantee Limit	1,403.00	-	<p>In the past, the Asian Group has centralized financial management, using mutual credit lines for working capital and sources of funds within the Group for import and export of goods, and for the management of financial costs. The ASIAN Group has joint credit lines consisting of 1) ASIAN; 2) ASIAN SURAT; 3) the Company; 4) AFEED; and 5) AFOOD.</p> <p>The financial institution has established a guarantee scheme for such credit line, requiring all joint credit line users, including the company, to have mutual guarantees and no compensation for such guarantees, for a total of 2 lines.</p> <p>However, the company has been released as a joint debtor of the joint credit line in the first quarter of 2023 and accepts the transfer of debt obligations in respect of which the company uses the joint credit line under the loan agreement, in which the company is the only borrower.</p>
4. Persons who may have a conflict of interest to guarantee the credit line of the company.	ASIAN	Guarantee Limit	10.00	-	<p>The company has a credit line, in which the company is the same borrower as the financial institution for use as working capital within the company's business. The financial institution has defined the guarantee in two ways: 1) the credit line designated by ASIAN as a guarantor for the Company; and 2) the credit line designated by ASIAN and its subsidiaries, namely (1) ASIAN SURAT; and (2) AFEED as a guarantor for the Company. Such guarantee is subject to conditions set by the financial institution and no compensation is charged.</p> <p>ASIAN and/or other companies within the group have already been released from the terms and conditions of the credit line guarantee in the first quarter of 2023.</p>
	ASIAN ASIAN SURAT and AFEED	Guarantee Limit	415.00	-	

The Audit Committee considers that the transaction is a financial assistance transaction which occurs as necessary due to the introduction of the property into the guarantor in accordance with the conditions prescribed by the financial institution.

## 8) Service Receiving Transactions

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction	The Audit Committee's Opinions
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022		
1. The company uses the service of freezing and immersing raw materials.	ASIAN	Expenses	54.12	55.89	The company uses the service of freezing and immersing raw materials from ASIAN in cold storage located in the same area as the company's factory location. The service fee is calculated by weight and flat rate. The room for storing raw materials, tuna and other raw materials allows the company to disburse raw materials for use in the production process conveniently and quickly. It can also reduce the cost of transportation. The service rate is comparable to the market rate, including trade conditions and the payment of prices that can be comparable with other partners that are not related to the company.  Currently, the company has entered into a contract for the use of immersion service according to the contract period of one year from January 1, 2022 – December 31, 2022. The rate is comparable to the market rate. And some cold storage space leases for one year from January 1, 2022 – December 31, 2022. The rental rate is based on the rental rate assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission (SEC).	The Audit Committee considers that such transaction is appropriate and reasonable, since such transaction is the use of services to support the company's normal business operations. The contractual rate is comparable to the market rate, including the trade conditions and the payment of prices that can be comparable with other partners that are not related to the company. In addition, the contractual rate is comparable to the rental rate in the vicinity of the property assessed by the appraiser, which has been approved by the Office of the Securities and Exchange Commission (SEC).
		Other payables	4.22	4.92		



Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction	The Audit Committee's Opinions
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022		
2. The Company uses business support services for business operations.	ASIAN	Expenses	22.01	-	The company uses the business support service from ASIAN for accounting, finance, internal audit, information technology and legal departments and expedites the debt due to the fact that the ASIAN group has managed the department that supports centralized business operations. ASIAN is responsible for such department to streamline management and help reduce administrative costs. The business support service fee paid by the company to ASIAN is calculated from the same cost allocation principle, including the same terms of trade and payment that ASIAN charges to other companies in the group.	The Audit Committee considers that such transaction is appropriate and reasonable since such transaction is used to support the company's normal business operations. The service fee paid by the Company to ASIAN is calculated from the same cost allocation principle, including the same trade conditions and price payment that ASIAN charges to other companies in the Group.
		Other payables	-	-		
3. The company uses the service of customs clearance.	ASIAN	Expenses	5.48	3.00	The Company uses customs clearance services for import and export from ASIAN as ASIAN has a department responsible for customs clearance services for import and export to companies in the Group. The company uses such services to facilitate coordination. The rates are comparable to market rates, including trade conditions and payment of prices that are comparable to other partners that are not related to the company.	The Audit Committee considers that such transaction is appropriate and reasonable, since such transaction is the use of services to support the company's normal business operations. The rates are comparable to market rates, including trading conditions and the payment of prices that are comparable to those of other partners not related to the company.
		Other payables	0.55	0.42		

Transaction	Person may have a conflict	Transaction Characteristics	Transaction Value (Million Baht)		Necessity and Reasonableness of Transaction	The Audit Committee's Opinions
			For the fiscal year ended December 31, 2021	For the fiscal year ended December 31, 2022		
4. The company uses cargo management services.	AFEED	Expenses	3.39	6.16	The Company's subsidiaries have hired AFEED to manage domestic transportation for pet food products, Monchou, Monchou Balanced and Hajiko brands. Since AFEED has a comprehensive domestic transportation management system, the rates are comparable to market rates, including trade terms and settlements that are comparable to trade terms and settlements in general.	The Audit Committee considers that such transaction is appropriate and reasonable because it is used to support the company's normal business operations. The rates are comparable to market rates, including commercial terms and settlements that are comparable to commercial terms and settlements in general.
		Other payables	0.73	3.15		
5. The Company uses other services.	ASIAN	Expenses	0.01	0.03	The Company uses other services such as delivery of goods from ASIAN and AFEED in order to streamline business operations as necessary during each period. The rates, terms of trade and settlement are comparable to the rates, terms of trade and settlement charged by ASIAN and AFEED from other companies in the Group.	The Audit Committee considers that such transaction is appropriate and reasonable because it is used to support the company's normal business operations. The rates, terms of trade and payment are comparable to the rates, terms of trade and payment that ASIAN and AFEED charge to other companies in the Group.
		Other payables	-	-		
	AFEED	Expenses	0.05	0.04		
		Other payables	-	-		





# 3

## Financial Report



## Declaration of the Directors' Responsibility for the Financial Statements

The Board of Directors of Asian Sea Corporation Public Company Limited recognizes its responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2022.

The financial statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective internal control system, internal auditing risk management, and effective governance to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Board of Directors has appointed the Audit Committee comprising 3 independent directors to oversee and review the accounting policies and the quality of financial reports, including the internal control system and internal audits to ensure that they are adequate and effective. as well as considering the disclosure of related party transactions.

It is our view that the Company's overall internal control system is satisfactory and can reasonably ensure that the financial statements of the Company and its subsidiaries for the year ended December 31, 2022, it is accurate sufficient reliable and in accordance with generally accepted accounting standards as well as in accordance with relevant laws and regulations.



**Mr. Vichai Assarasakorn**  
Chairman of the Board



## Independent Auditor's Report

### To the Shareholders of Asian Alliance International Public Company Limited

(Formerly known as “Asian Alliance International Co., Ltd.”)

#### Opinion

I have audited the accompanying consolidated financial statements of Asian Alliance International Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Asian Alliance International Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Asian Alliance International Public Company Limited and its subsidiaries and of Asian Alliance International Public Company Limited as at 31 December 2022, and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

#### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethic for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### **Revenue recognition**

The Group is principally engaged in the production of packaged seafood products and animal feed. Sales are significant to the Group's financial statements and directly impact on the Group's operating results. I therefore focused on the Group's recognition of sales.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales documents to assess whether revenue recognition was consistent with the conditions of the relevant documents, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.



## Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Vilailak Laohasrisakul

Certified Public Accountant (Thailand) No. 6140

EY Office Limited

Bangkok: 22 February 2023

## Statement of financial position

### Asian Alliance International Public Company Limited and its subsidiaries

(Formerly known as “Asian Alliance International Co., Ltd.”)

As at 31 December 2022

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2022	2021	2022	2021
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,507,789,931	45,944,068	1,487,430,531	30,195,034
Trade and other receivables	8	981,090,681	606,817,382	957,828,066	598,146,107
Short-term loans to related parties	6	-	-	80,665,304	23,233,807
Inventories	9	1,754,429,613	1,629,525,006	1,713,729,765	1,598,965,435
Other current financial assets	35.1	109,853,045	-	109,853,045	-
Other current assets		122,579,430	86,067,280	110,389,446	73,481,692
<b>Total current assets</b>		<b>4,475,742,700</b>	<b>2,368,353,736</b>	<b>4,459,896,157</b>	<b>2,324,022,075</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	-	18,561,579	-	18,561,579
Investment in subsidiary	11	-	-	130,800,000	130,800,000
Investments in joint ventures	12	34,179,322	40,549,799	571,500	571,500
Investment in associate	13	-	-	1,600,000	1,600,000
Long-term loans to joint ventures	6	14,456,783	15,807,988	-	-
Long-term loan to associate	6	3,662,763	2,432,983	4,800,000	4,800,000
Plant and equipment	14	1,353,387,797	1,077,290,759	1,349,912,625	1,075,229,643
Right-of-use assets	19	168,672,197	43,576,716	167,075,042	41,030,466
Intangible assets	15	16,713,618	16,597,845	64,667,598	63,810,526
Deferred tax assets	27	82,379	1,842,086	-	1,767,807
Other non-current assets		12,760,709	21,422,039	11,088,115	19,869,738
<b>Total non-current assets</b>		<b>1,603,915,568</b>	<b>1,238,081,794</b>	<b>1,730,514,880</b>	<b>1,358,041,259</b>
<b>Total assets</b>		<b>6,079,658,268</b>	<b>3,606,435,530</b>	<b>6,190,411,037</b>	<b>3,682,063,334</b>

The accompanying notes are an integral part of the financial statements.



## Statement of financial position (continued)

## Asian Alliance International Public Company Limited and its subsidiaries

(Formerly known as “Asian Alliance International Co., Ltd.”)

As at 31 December 2022

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	16	-	495,745,523	-	495,745,523
Trade and other payables	17	491,767,904	517,135,692	467,683,032	508,001,089
Current portion of long-term loans	18	70,000,000	74,915,931	70,000,000	74,915,931
Current portion of lease liabilities	19	12,694,407	22,777,120	11,713,689	21,836,312
Income tax payable		16,934,037	24,942,959	16,934,037	24,942,959
Other current financial liabilities	35.1	-	23,456,642	-	23,456,642
Other current liabilities		41,143,293	22,239,000	40,857,592	21,923,542
Total current liabilities		632,539,641	1,181,212,867	607,188,350	1,170,821,998
Non-current liabilities					
Long-term loans	18	200,000,000	-	200,000,000	-
Lease liabilities	19	162,374,591	21,326,215	161,644,739	19,615,645
Provision for long-term employee benefits	20	30,845,151	27,399,870	30,433,258	27,028,471
Deferred tax liabilities	27	20,351,717	-	20,351,717	-
Total non-current liabilities		413,571,459	48,726,085	412,429,714	46,644,116
Total liabilities		1,046,111,100	1,229,938,952	1,019,618,064	1,217,466,114
Shareholders' equity					
Share capital	21				
Registered					
2,125,000,000 ordinary shares of Baht 1 each					
(2021: 170,000,000 ordinary shares of Baht 10 each)		2,125,000,000	1,700,000,000	2,125,000,000	1,700,000,000
Issued and paid-up					
2,125,000,000 ordinary shares of Baht 1 each					
(2021: 170,000,000 ordinary shares of Baht 10 each)		2,125,000,000	1,700,000,000	2,125,000,000	1,700,000,000
Share premium		1,890,025,167	-	1,890,025,167	-
Deficit on business combination under common control	1.2	(50,505,039)	(50,505,039)	-	-
Retained earnings					
Appropriated - statutory reserve	23	123,174,479	43,048,446	123,174,479	43,048,446
Unappropriated		941,082,051	674,395,618	1,032,593,327	721,548,774
Other component of shareholders' equity		4,770,510	9,557,553	-	-
Total shareholders' equity		5,033,547,168	2,376,496,578	5,170,792,973	2,464,597,220
Total liabilities and shareholders' equity		6,079,658,268	3,606,435,530	6,190,411,037	3,682,063,334

The accompanying notes are an integral part of the financial statements.

## Statement of comprehensive income

### Asian Alliance International Public Company Limited and its subsidiaries

(Formerly known as “Asian Alliance International Co., Ltd.”)

For the year ended 31 December 2022

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	30	7,123,511,987	4,985,490,424	7,020,575,451	4,946,879,498
Other income	24	71,863,704	50,941,912	72,043,222	50,870,977
<b>Total revenues</b>		<b>7,195,375,691</b>	<b>5,036,432,336</b>	<b>7,092,618,673</b>	<b>4,997,750,475</b>
<b>Expenses</b>					
Cost of sales		5,709,149,860	3,931,837,475	5,645,892,204	3,923,077,761
Selling and distribution expenses		230,457,498	182,065,510	162,941,540	108,790,156
Administrative expenses		238,797,224	197,508,745	223,915,261	182,867,301
<b>Total expenses</b>		<b>6,178,404,582</b>	<b>4,311,411,730</b>	<b>6,032,749,005</b>	<b>4,214,735,218</b>
<b>Operating profit</b>		<b>1,016,971,109</b>	<b>725,020,606</b>	<b>1,059,869,668</b>	<b>783,015,257</b>
Share of loss from joint ventures	12	(705,021)	(2,787,478)	-	-
Share of profit from associate	13	1,229,779	930,779	-	-
Finance income		3,689,621	14,036,475	4,056,843	13,191,760
Finance cost	25	(36,241,751)	(20,751,797)	(34,464,863)	(19,733,978)
<b>Profit before income tax expenses</b>		<b>984,943,737</b>	<b>716,448,585</b>	<b>1,029,461,648</b>	<b>776,473,039</b>
Income tax expenses	27	(125,829,850)	(77,437,229)	(125,868,287)	(77,545,742)
<b>Profit for the year</b>		<b>859,113,887</b>	<b>639,011,356</b>	<b>903,593,361</b>	<b>698,927,297</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(4,787,043)	7,259,180	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(4,787,043)	7,259,180	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax	20	(201,421)	(4,662,063)	(322,775)	(4,798,997)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(201,421)	(4,662,063)	(322,775)	(4,798,997)
<b>Other comprehensive income for the year</b>		<b>(4,988,464)</b>	<b>2,597,117</b>	<b>(322,775)</b>	<b>(4,798,997)</b>
<b>Total comprehensive income for the year</b>		<b>854,125,423</b>	<b>641,608,473</b>	<b>903,270,586</b>	<b>694,128,300</b>

The accompanying notes are an integral part of the financial statements.



**Statement of comprehensive income (continued)****Asian Alliance International Public Company Limited and its subsidiaries**

(Formerly known as “Asian Alliance International Co., Ltd.”)

For the year ended 31 December 2022

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2022	2021	2022	2021
<b>Profit attributable to</b>					
Equity holders of the Company		859,113,887	652,996,789	903,593,361	698,927,297
Former shareholder's equity before business restructuring		-	(13,985,433)		
		<u>859,113,887</u>	<u>639,011,356</u>		
<b>Total comprehensive income attributable to</b>					
Equity holders of the Company		854,125,423	652,750,499	903,270,586	694,128,300
Former shareholder's equity before business restructuring		-	(11,142,026)		
		<u>854,125,423</u>	<u>641,608,473</u>		
<b>Earnings per share</b>					
	29				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.48</u>	<u>0.38</u>	<u>0.51</u>	<u>0.41</u>

The accompanying notes are an integral part of the financial statements.

## Statement of changes in shareholders' equity

### Asian Alliance International Public Company Limited and its subsidiaries (Formerly known as "Asian Alliance International Co., Ltd.")

For the year ended 31 December 2022

	Consolidated financial statements										(Unit: Baht)
	Shareholders' equity of the Company										
	Shareholders' equity of the Company					Other component of equity		Former shareholder's equity before business restructuring			
						Other comprehensive income		Total shareholders' equity of the Company			
	Exchange differences on translation of financial statements in foreign currency							Total			
Issued and paid-up share capital	Share premium	Share-based payment reserve	Deficit on business combination under common control	Retained earnings		on translation of financial statements in foreign currency		shareholders' equity of the Company	shareholder's equity before business restructuring	Total	
1,700,000,000	-	-	-	Appropriated - statutory reserve	Unappropriated	-	-	2,559,609,338	96,578,767	2,656,188,105	
Profit (loss) for the year	-	-	-	-	-	-	-	652,996,789	(13,985,433)	639,011,356	
Other comprehensive income for the year	-	-	-	-	-	-	-	(4,662,063)	2,843,407	2,597,117	
Total comprehensive income for the year	-	-	-	-	-	-	-	4,415,773	(11,142,026)	641,808,473	
Purchase of investment in subsidiary (Note 1.2)	-	-	-	(50,505,039)	-	-	-	4,415,773	(85,436,741)	(130,800,000)	
Dividend paid (Note 32)	-	-	-	-	-	-	-	5,141,780	-	(790,500,000)	
Unappropriated retained earnings transferred to statutory reserve (Note 23)	-	-	-	-	43,048,446	(43,048,446)	-	-	-	-	
Balance as at 31 December 2021	1,700,000,000	-	-	(50,505,039)	43,048,446	674,395,618	9,557,553	2,376,496,578	-	2,376,496,578	
Balance as at 1 January 2022	1,700,000,000	-	-	(50,505,039)	43,048,446	674,395,618	9,557,553	2,376,496,578	-	2,376,496,578	
Profit for the year	-	-	-	-	-	859,113,887	-	859,113,887	-	859,113,887	
Other comprehensive income for the year	-	-	-	-	-	(201,421)	(4,787,043)	(4,988,464)	-	(4,988,464)	
Total comprehensive income for the year	-	-	-	-	-	858,912,466	(4,787,043)	854,125,423	-	854,125,423	
Increase share capital (Note 21)	425,000,000	1,885,088,917	-	-	-	-	-	2,310,088,917	-	2,310,088,917	
Share-based payment (Note 22)	-	-	4,936,250	-	-	-	-	4,936,250	-	4,936,250	
Transfer share-baset payment reserve to share premium (Note 22)	-	4,936,250	(4,936,250)	-	-	-	-	-	-	-	
Dividend paid (Note 32)	-	-	-	-	-	(512,100,000)	-	(512,100,000)	-	(512,100,000)	
Unappropriated retained earnings transferred to statutory reserve (Note 23)	-	-	-	-	80,126,033	(80,126,033)	-	-	-	-	
Balance as at 31 December 2022	2,125,000,000	1,890,025,167	-	(50,505,039)	123,174,479	941,082,051	4,770,510	5,033,547,168	-	5,033,547,168	

The accompanying notes are an integral part of the financial statements.



## Statement of changes in shareholders' equity (continued)

## Asian Alliance International Public Company Limited and its subsidiaries

(Formerly known as "Asian Alliance International Co., Ltd.")

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up		Share-based payment reserve	Retained earnings		Total
	share capital	Share premium		Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2021</b>	1,700,000,000	-	-	-	860,968,920	2,560,968,920
Profit for the year	-	-	-	-	698,927,297	698,927,297
Other comprehensive income for the year	-	-	-	-	(4,798,997)	(4,798,997)
Total comprehensive income for the year	-	-	-	-	694,128,300	694,128,300
Dividend paid (Note 32)	-	-	-	-	(790,500,000)	(790,500,000)
Unappropriated retained earnings transferred						
to statutory reserve (Note 23)	-	-	-	43,048,446	(43,048,446)	-
<b>Balance as at 31 December 2021</b>	<u>1,700,000,000</u>	<u>-</u>	<u>-</u>	<u>43,048,446</u>	<u>721,548,774</u>	<u>2,464,597,220</u>
<b>Balance as at 1 January 2022</b>	1,700,000,000	-	-	43,048,446	721,548,774	2,464,597,220
Profit for the year	-	-	-	-	903,593,361	903,593,361
Other comprehensive income for the year	-	-	-	-	(322,775)	(322,775)
Total comprehensive income for the year	-	-	-	-	903,270,586	903,270,586
Increase share capital (Note 21)	425,000,000	1,885,088,917	-	-	-	2,310,088,917
Share-based payment (Note 22)	-	-	4,936,250	-	-	4,936,250
Transfer share-based payment reserve to						
share premium (Note 22)	-	4,936,250	(4,936,250)	-	-	-
Dividend paid (Note 32)	-	-	-	-	(512,100,000)	(512,100,000)
Unappropriated retained earnings transferred						
to statutory reserve (Note 23)	-	-	-	80,126,033	(80,126,033)	-
<b>Balance as at 31 December 2022</b>	<u>2,125,000,000</u>	<u>1,890,025,167</u>	<u>-</u>	<u>123,174,479</u>	<u>1,032,593,327</u>	<u>5,170,792,973</u>

The accompanying notes are an integral part of the financial statements.

## Cash flow statement

### Asian Alliance International Public Company Limited and its subsidiaries

(Formerly known as “Asian Alliance International Co., Ltd.”)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from operating activities</b>				
Profit before tax	984,943,737	716,448,585	1,029,461,648	776,473,039
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	173,627,748	153,591,912	170,788,691	150,621,981
Allowance for expected credit losses	3,855,742	1,450,787	3,855,742	1,450,787
Reduction of cost of inventories to net realisable value (reversal)	17,030,755	(7,850,558)	17,030,755	(7,850,558)
Withholding income tax written-off	-	245,631	-	245,631
Loss (gain) on sales/written-off of plant and equipment	3,385,950	(535,332)	3,385,950	(535,332)
Loss on written-off intangible asset	909,948	-	-	-
Gain on cancellation of lease contract	(244,977)	-	(244,977)	-
Long-term employee benefit expenses	3,405,305	4,805,643	3,213,119	4,706,058
Unrealised loss on exchange rate	31,340,485	668,663	31,112,301	846,555
Unrealised (gain) loss on forward foreign exchange contracts	(133,309,687)	32,779,966	(133,309,687)	32,779,966
Share-based payment expenses	4,936,250	-	4,936,250	-
Share of loss from joint ventures	705,021	2,787,478	-	-
Share of profit from associate	(1,229,779)	(930,779)	-	-
Finance income	(3,689,621)	(14,036,475)	(4,056,843)	(13,191,760)
Finance cost	36,241,751	20,751,797	34,464,863	19,733,978
Profit from operating activities before changes in operating assets and liabilities	1,121,908,628	910,177,318	1,160,637,812	965,280,345
Operating assets (increase) decrease				
Trade and other receivables	(406,944,123)	(96,703,191)	(393,096,232)	(90,859,013)
Inventories	(141,935,362)	(554,183,232)	(131,795,085)	(544,500,407)
Other current assets	(36,512,150)	(49,199,445)	(36,907,754)	(44,064,669)
Other non-current assets	(1,426,294)	(1,219,672)	(1,306,001)	(1,409,599)
Operating liabilities increase (decrease)				
Trade and other payables	(10,788,530)	100,808,660	(25,738,799)	104,512,536
Other current liabilities	18,904,293	7,796,600	18,934,050	7,539,093
Cash paid for long-term employee benefits	(211,800)	(746,400)	(211,800)	(746,400)
Cash flows from operating activities	542,994,662	316,730,638	590,516,191	395,751,886
Interest received	1,309,400	15,934,306	2,420,071	14,921,950
Interest paid	(36,374,281)	(20,510,513)	(34,597,393)	(19,357,027)
Income tax paid	(100,745,784)	(44,543,969)	(100,745,784)	(44,542,529)
<b>Net cash flows from operating activities</b>	<b>407,183,997</b>	<b>267,610,462</b>	<b>457,593,085</b>	<b>346,774,280</b>

The accompanying notes are an integral part of the financial statements.

**Cash flow statement (continued)****Asian Alliance International Public Company Limited and its subsidiaries**

(Formerly known as “Asian Alliance International Co., Ltd.”)

For the year ended 31 December 2022

			(Unit: Baht)	
	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	18,561,579	-	18,561,579	-
Cash payments for building construction and acquisitions of equipment	(429,752,304)	(277,039,623)	(427,010,807)	(276,636,068)
Cash payments for deposits of machinery	(7,051,448)	(17,139,072)	(7,051,448)	(17,139,072)
Cash payments for acquisitions of computer software	(2,481,676)	(2,677,268)	(1,747,229)	(2,591,669)
Cash payments for acquisitions of trademarks	-	-	-	(52,300,000)
Proceeds from sales of equipment	525,472	570,440	525,472	570,440
Increase in short-term loans to related parties	-	(130,996,745)	(57,431,497)	(154,230,552)
Cash payment for investment in joint venture	-	-	-	(571,500)
Cash payment for investment in associate	-	-	-	(1,600,000)
Cash payment for long-term loans to joint venture	(186,893)	(377,652)	-	-
Cash received from repayment of long-term loans to joint venture	5,503,950	-	-	-
Cash payment for long-term loan to associate	-	-	-	(4,800,000)
<b>Net cash flows used in investing activities</b>	<b>(414,881,320)</b>	<b>(427,659,920)</b>	<b>(474,153,930)</b>	<b>(509,298,421)</b>
<b>Cash flows from financing activities</b>				
(Decrease) increase in short-term loans from banks	(495,745,523)	244,979,736	(495,745,523)	244,979,736
Decrease in short-term loans from related party	-	(2,953,303)	-	-
Repayment of long-term loan	(75,090,000)	(99,960,000)	(75,090,000)	(99,960,000)
Cash received from long-term loan	270,000,000	-	270,000,000	-
Payment of principal of lease liabilities	(13,366,651)	(21,860,908)	(12,425,843)	(20,505,953)
Cash received from share capital increase	2,353,813,750	-	2,353,813,750	-
Cash payment for direct costs related to the share offering	(54,656,042)	-	(54,656,042)	-
Dividend paid	(512,100,000)	(3,255)	(512,100,000)	(3,255)
<b>Net cash flows from financing activities</b>	<b>1,472,855,534</b>	<b>120,202,270</b>	<b>1,473,796,342</b>	<b>124,510,528</b>
<b>(Decrease) increase in exchange differences on translation of financial statements in foreign currency</b>	<b>(3,312,348)</b>	<b>2,989,475</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,461,845,863</b>	<b>(36,857,713)</b>	<b>1,457,235,497</b>	<b>(38,013,613)</b>
Cash and cash equivalents at beginning of year	45,944,068	82,801,781	30,195,034	68,208,647
<b>Cash and cash equivalents at end of year</b>	<b>1,507,789,931</b>	<b>45,944,068</b>	<b>1,487,430,531</b>	<b>30,195,034</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Increase in other payables for building construction and acquisitions of equipment	(14,189,656)	(23,069,179)	(14,189,656)	(23,069,179)
Dividend paid by deducting short-term loans to related parties	-	790,496,745	-	790,496,745
Decrease in short-term loans to related parties due to acquisition of investment in subsidiary	-	130,800,000	-	130,800,000
Transferred deposits of equipment to equipment	17,139,072	-	17,139,072	-
Increase in right-of-use assets	154,509,693	10,640,360	154,509,693	10,640,360
Actuarial loss	251,776	5,827,579	403,469	5,998,746

The accompanying notes are an integral part of the financial statements.



## Notes to consolidated financial statements

### Asian Alliance International Public Company Limited and its subsidiaries

(Formerly known as “Asian Alliance International Co., Ltd.”)

For the year ended 31 December 2022

## 1. General information

### 1.1 Corporate information

Asian Alliance International Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Asian Sea Corporation Public Company Limited, which was incorporated in Thailand. The Company is principally engaged in the production of packaged seafoods, animal feeds and fishmeal. The registered office of the Company is at 55/2 Rama II Road, Bangkrajao, Muang Samut Sakhon, Samut Sakhon. There are 3 branches located in Samut Sakhon.

Formerly, the Company was registered as a limited company and was registered as a public company limited with the Ministry of Commerce on 10 March 2022 and changed the Company’s name from “Asian Alliance International Co., Ltd.” to “Asian Alliance International Public Company Limited”.

### 1.2 Business combination under common control

On 31 May 2021, the Company acquired a 100% shareholding in Asian Pets Care Corporation Co., Ltd. (“the parent company’s subsidiary”) from Asian Sea Corporation Public Company Limited, its parent company, at a price of Baht 130.8 million. The Company recorded the difference of Baht 50.5 million between the cost of business combination under common control and the net book value of the subsidiary under shareholders' equity of the Company in the consolidated financial statements. Because the subsidiary acquired was under the common control of the parent company both before and after the acquisition, the Group has restated the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year ended 31 December 2021 presented for comparative purposes to reflect the operating results and cash flows on the basis of the economic substance of the Group under common control, as if the subsidiary had operated under the Group before 1 January 2021, even though the legal relationship in the acquisition of the subsidiary occurred on 31 May 2021.



## 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### 2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Asian Alliance International Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2022	2021
			(Percent)	(Percent)
<u>Subsidiary directly held by the Company</u>				
Asian Pets Care Corporation Co., Ltd.	Distribution of animal feeds, marketing and management activities, including investing in other business	Thailand	100	100
<u>Subsidiary held by Asian Pets Care Corporation Co., Ltd.</u>				
Thaiya Corporation (Shanghai) Co., Ltd.	Marketing service and distribution of animal feeds and frozen seafoods	China	100	100

In September 2022, Thaiya Corporation (Shanghai) Co., Ltd. increased its registered share capital from USD 3 million to USD 5 million and received payment of USD 1 million for the shares in October 2022.

As mentioned in Note 1.2, the Group restated the consolidated financial statements for comparative purposes as if Asian Pets Care Corporation Co., Ltd. had conducted its businesses as part of the Group before 1 January 2021.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that significantly affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using daily average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statement of changes in shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Equity of former shareholders before the restructuring represents the portion of profit or loss and net assets of the former shareholders before the restructuring under common control and is presented separately in the consolidated profit or loss and under shareholders’ equity in the consolidated statement of financial position in accordance with the accounting practice guidelines for business combination under common control (Note 4.7).

2.3 The separate financial statements present investments in subsidiary, joint venture and associate under the cost method less allowance for impairment loss (if any).

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements.



### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023**

The Federation of Accounting Professions issued several revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

## **4. Significant accounting policies**

### **4.1 Revenue and expense recognition**

#### ***Sales of goods and rendering of transportation services***

##### ***Sales of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer upon the condition of sales, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied following the invoiced value after deducting returns, discounts and allowances.

##### ***Rendering of transportation services***

Upon the condition of sales which included transportation services, revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing transportation services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract. Transportation service revenue is recognised as revenue over the periods.

The obligation to transfer services to a customer for which the Group has received consideration or an amount of consideration due from the customer is presented under the caption of "Other current liabilities" in the statement of financial position, which are recognised as revenue over the period of transportation services.

### ***Interest income***

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### ***Finance cost***

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### ***Export incentive***

Export incentives, which are received in the form of tax coupons, are recognised as income when the Group exports the goods.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Finished goods and work in process are valued at the lower of average cost and net realisable value. The cost of inventories includes raw material costs, labor costs and attributable factory overheads.

Raw materials, packing materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

## **4.4 Investments in subsidiary, joint ventures and associate**

Investments in joint ventures and associate are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiary, joint venture and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).





#### 4.5 Plant and equipment and depreciation

Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives.

Land improvement	3 - 25 years
Buildings and building improvement	2 - 30 years
Machinery and equipment	2 - 20 years
Furniture, fixtures and office equipment	2 - 20 years
Motor vehicles	5 - 10 years

Depreciation is included in determining income. No depreciation is provided on assets under installation and construction.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### 4.6 Intangible assets

Intangible assets are initially recognised at cost. Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses (if any) and intangible assets with indefinite useful lives are carried at cost less impairment losses (if any).

Intangible assets with finite useful lives are computer software and are amortised on the straight-line basis over the economic useful life. The amortisation expense is charged to profit or loss. The computer software has useful lives between 3 and 15 years. No amortisation is charged for computer software under installation.

Intangible assets with indefinite useful lives are trademarks and are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

#### **4.7 Business combination under common control**

Business combination under common control is accounted for using the pooling of interests method, with the cost of the business combination under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities are presented as "Deficit on business combination under common control" in shareholders' equity. The deficit on business combination under common control is derecognised upon disposal of the investment.

Costs relating to business combination under common control are accounted for as expenses in the period in which the business combination occurred.

#### **4.8 Leases**

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **The Group as a lessee**

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e., the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.



Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	3 and 30 years
Buildings	2 and 3 years
Factory equipment	3 - 5 years
Office equipment	4 and 5 years
Motor vehicles	4 and 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term or a change in the lease payments.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### **4.9 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

#### **4.10 Foreign currencies**

The consolidated and separate financial statement are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining income.

#### **4.11 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.



In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### **4.12 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### ***Defined contribution plans***

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### ***Defined benefit plans***

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

#### **4.13 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.14 Equity- settled share-based payments**

The Group recognises share-based payment transactions when services are rendered by employees, based on the fair value of the share options at the grant date. The expenses, together with a corresponding increase in “Share-based payment reserve” in shareholders’ equity, are recognised over the service period as specified in the plan.

#### **4.15 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.16 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, for trade receivables that do not contain a significant financing component, the Group will measure financial assets at the transaction price as disclosed in the accounting policy relating to revenue recognition.





## Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. These financial assets include derivatives.

## Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

The Group may elect to measure financial liabilities at FVTPL if doing so eliminates, or significantly reduces a recognition inconsistency.

### ***Derecognition of financial instruments***

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



#### 4.17 Derivatives

The Group uses derivatives, forward foreign exchange contracts to hedge its foreign currency risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### 4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that is appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows.

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

### **Allowance for expected credit losses of trade receivables**

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

### **Provision for diminution in the value of inventories**

In determining a provision for diminution in the value of inventories, the management needs to make judgement and estimates for slow-moving and obsolete inventories based upon, among other things, the product life cycle, the competitive environment, economic circumstances and the situation within the industry.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.



## 6. Related party transactions

During the year, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Thousand Baht)					
	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2022	2021	2022	2021	
<b>Transactions with parent company</b>					
Sales	867	715	867	715	Cost plus margin
Interest income	38	12,619	38	12,619	2.49% per annum (2021: 2.45% - 2.70% per annum)
Other income	1,231	948	1,231	948	Cost plus margin and mutually agreed price
Purchases of raw materials	5,193	8,661	5,193	8,661	Cost plus margin
Cold storage service expenses	54,223	54,118	54,223	54,118	Contract price
Rental expenses	15,687	15,600	15,687	15,600	Contract price
Management fee	-	22,010	-	21,815	Mutually agreed price
Interest expense	-	372	-	-	2.85% - 3.08% per annum
Other expenses	9,288	7,419	9,261	7,419	Cost plus margin and mutually agreed price
Acquisition of investment in subsidiary	-	-	-	130,800	Contract price
Dividend paid	512,098	790,497	512,098	790,497	As declared
<b>Transactions with subsidiaries</b> (eliminated from the consolidated financial statements)					
Sales	-	-	47,605	39,107	Cost plus margin
Interest income	-	-	1,286	374	2.48% - 2.91% per annum (2021: 2.45% - 2.67% per annum)
Other income	-	-	292	5	Cost plus margin and mutually agreed price
Acquisition of investment in joint venture	-	-	-	572	Contract price
Acquisition of investment in associate	-	-	-	1,600	Contract price
Acquisition of trademarks	-	-	-	52,300	Contract price

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2022	2021	2022	2021	
<b>Transactions with joint ventures</b>					
Interest income	919	989	-	-	4.00% - 5.00% per annum
Commission expenses	17,212	9,227	17,212	-	Mutually agreed price
<b>Transactions with associate</b>					
Sales	43,566	28,050	43,566	15,107	Cost plus margin
Interest income	192	191	192	97	4.00% per annum
<b>Transactions with related parties</b>					
Sales	50,605	42,216	50,605	71,508	Cost plus margin
Other income	207	112	207	121	Cost plus margin and mutually agreed price
Purchases of raw materials	135	491	135	491	Cost plus margin
Other expenses	6,202	3,439	44	47	Cost plus margin and mutually agreed price
Commission expenses	-	-	-	9,227	Mutually agreed price

As at 31 December 2022 and 2021, the balances of the accounts between the Group and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Trade and other receivables - related parties (Note 8)</b>				
Parent company	204	189	204	189
Subsidiaries	-	-	3,031	5,755
Joint ventures	2,161	1,349	-	-
Associate	48	317	48	317
Related parties (related by common shareholders or directors)	2,303	2,926	2,303	2,926
<b>Trade and other payables - related parties (Note 17)</b>				
Parent company	5,607	6,337	5,607	6,337
Related parties (related by common shareholders or directors)	3,148	732	-	-



Short-term loans to related parties

Short-term loans to related parties are due at call and unsecured. During the current year, movements in the short-term loans to related parties account are as follows.

(Unit: Thousand Baht)

Short-term loan to	Interest rate (percent per annum)	Consolidated financial statements			
		Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Asian Sea Corporation Public Company Limited	2.49	-	42,000	(42,000)	-

(Unit: Thousand Baht)

Short-term loans to	Interest rate (percent per annum)	Separate financial statements			
		Balance as at 31 December 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2022
Asian Sea Corporation Public Company Limited	2.49	-	42,000	(42,000)	-
Asian Pets Care Corporation Co., Ltd.	2.48 - 2.91	23,234	178,473	(121,042)	80,665
Total		23,234	220,473	(163,042)	80,665

Long-term loans to joint ventures

During the current year, movements in the long-term loans to joint ventures account are as follows.

(Unit: Thousand Baht)

Long-term loans to	Consolidated financial statements						Balance as at 31 December 2022
	Balance as at 31 December 2021	Increase during the year	Decrease during the year	Unrealised loss on exchange rate	Recognised share of profit	Recognised share of translation of financial statements in foreign currency	
Asian Group SCS Europe GmbH	2,699	-	(5,504)	(228)	4,736	181	1,884
Shandong Thaiya Meisi Pet Foods Co., Ltd.	13,109	187	-	(723)	-	-	12,573
Total	15,808	187	(5,504)	(951)	4,736	181	14,457

In May 2018, Asian Pets Care Corporation Co., Ltd. entered into a joint venture agreement with another company to establish Asian Group SCS Europe GmbH (the joint venture). The joint venture agreement indicated that Asian Pets Care Corporation Co., Ltd. and the other company have provided loans of Euro 240,000 and Euro 160,000, respectively, to Asian Group SCS Europe GmbH. Asian Group SCS Europe GmbH is entitled to request approval of additional loans. The principal and interest are to be repaid when the joint venture has sufficient income to repay the loan, which carries interest at a rate of 4% per annum and is not secured.

As at 31 December 2022, Asian Pets Care Corporation Co., Ltd. has a loan of Euro 100,000 (2021: Euro 250,000) to the joint venture (Asian Group SCS Europe GmbH) and classified this as long-term loan to, in accordance with the terms and conditions of principal repayment in the agreement.

In August 2019, Thaiya Corporation (Shanghai) Co., Ltd. (Subsidiary of Asian Pets Care Corporation Co., Ltd.) and another company entered into a joint venture agreement to establish Shandong Thaiya Meisi Pet Foods Co., Ltd. (the joint venture) and a long-term loan agreement granting a loan of RMB 5 million to Shandong Thaiya Meisi Pet Foods Co., Ltd. The loan principal is to be repaid within 3 years after the loan is received. Thaiya Corporation (Shanghai) Co., Ltd. and the other company are to provide loans of RMB 2.55 million and RMB 2.45 million, respectively, to Shandong Thaiya Meisi Pet Foods Co., Ltd. This loan is unsecured and carries interest at a rate of 5% per annum. The interest is to be paid in specified installments as prescribed in the agreement.

As at 31 December 2022, Thaiya Corporation (Shanghai) Co., Ltd. has granted a long-term loan of RMB 2.53 million (2021: RMB 2.50 million) to the joint venture (Shandong Thaiya Meisi Pet Foods Co., Ltd.).

#### Long-term loan to associate

During the current year, movements in the long-term loan to associate account are as follows.

	Consolidated financial statements			Separate financial statements		
	Balance as at 31 December 2021	Recognised share of profit	Balance as at 31 December 2022	Balance as at 31 December 2021	Increase during the year	Balance as at 31 December 2022
Long-term loan to						
Inter Petrina Co., Ltd.	2,433	1,230	3,663	4,800	-	4,800

(Unit: Thousand Baht)



In May 2018, Asian Pets Care Corporation Co., Ltd. entered into a joint venture agreement with another company to establish Inter Petrina Co., Ltd. (an associate). The joint venture agreement indicated that Asian Pets Care Corporation Co., Ltd. and the other company have provided loans of Baht 1.60 million and Baht 2.40 million, respectively, to Inter Petrina Co., Ltd. Inter Petrina Co., Ltd. is entitled to request approval of additional loans. The principal is to be repaid when the associate's operating results are good enough, as approved by meetings of both shareholders. The loan is not secured and carries interest at a rate of 4% per annum, interest is to be paid in specified installments as prescribed in the agreement. During the year 2021, the Company acquired all ordinary shares of the associate from Asian Pets Care Corporation Co., Ltd. and received all rights of claim in the loan receivables.

As at 31 December 2022 and 2021, the Group has granted a loan of Baht 4.80 million to the associate (Inter Petrina Co., Ltd.) and classified this as long-term loan to, in accordance with the terms and conditions of principal repayment in the agreement.

### Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2022	2021
Short-term employee benefits	18,572	15,895
Post-employment benefits	479	418
Share-based payment (Note 22)	1,650	-
Total	20,701	16,313

### Guarantee obligations with related parties

The Company has an obligation in respect of a guarantee provided for Asian Sea Corporation Public Company Limited without charging a guarantee fee. During the year 2022, the Company cancelled the mortgage of its buildings as collateral for these credit facilities, as described in Note 14.

The Company's bank overdraft and short-term bank loan facilities, which are used jointly with related companies, are guaranteed by Asian Sea Corporation Public Company Limited without charging guarantee fee. During the year 2022, the Company cancelled these credit facilities.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	296	238	86	16
Bank deposits	1,507,494	45,706	1,487,345	30,179
Total	1,507,790	45,944	1,487,431	30,195

As at 31 December 2022, bank deposits in savings accounts and fixed deposits carried interest at rates between 0.05% and 1.20% per annum (2021: between 0.05% and 0.25% per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade receivables - related parties (Note 6)</u>				
Aged on the basis of due dates				
Not yet due	2,117	3,074	4,948	8,705
Total trade receivables - related parties	2,117	3,074	4,948	8,705
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	838,175	400,334	824,046	394,077
Past due				
Up to 3 months	78,661	147,251	71,709	140,397
3 - 6 months	-	2,837	-	2,829
6 - 12 months	3,052	1,175	-	1,217
Over 12 months	9,339	5,776	9,339	5,776
Total	929,227	557,373	905,094	544,296
Less: Allowance for expected credit losses	(9,339)	(5,776)	(9,339)	(5,776)
Total trade receivables - unrelated parties, net	919,888	551,597	895,755	538,520
Total trade receivables - net	922,005	554,671	900,703	547,225
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	390	310	397	310
Other receivables - unrelated parties	65,302	58,961	65,302	58,961
Interest receivable from related parties (Note 6)	2,209	1,397	241	172
Total	67,901	60,668	65,940	59,443
Less: Allowance for expected credit losses	(8,815)	(8,522)	(8,815)	(8,522)
Total other receivables - net	59,086	52,146	57,125	50,921
Total trade and other receivables - net	981,091	606,817	957,828	598,146



The normal credit term is 0 days to 180 days.

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2022	2021
Beginning balance	14,298	12,848
Provision for expected credit losses	3,390	-
Effect from foreign exchange rate	466	1,450
Ending balance	18,154	14,298

## 9. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	832,409	897,216	(39,795)	(21,758)	792,614	875,458
Work in process	3,508	2,259	-	-	3,508	2,259
Raw materials	659,345	488,921	(484)	(37)	658,861	488,884
Packing materials	172,015	194,616	(676)	(2,129)	171,339	192,487
Spare parts and factory supplies	37,508	12,109	-	-	37,508	12,109
Goods in transit	90,600	58,328	-	-	90,600	58,328
Total	1,795,385	1,653,449	(40,955)	(23,924)	1,754,430	1,629,525

	(Unit: Thousand Baht)					
	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	805,533	873,263	(39,795)	(21,758)	765,738	851,505
Work in process	3,508	2,259	-	-	3,508	2,259
Raw materials	655,530	488,910	(484)	(37)	655,046	488,873
Packing materials	162,006	188,020	(676)	(2,129)	161,330	185,891
Spare parts and factory supplies	37,508	12,109	-	-	37,508	12,109
Goods in transit	90,600	58,328	-	-	90,600	58,328
Total	1,754,685	1,622,889	(40,955)	(23,924)	1,713,730	1,598,965

During the year 2022, the Group reduced cost of inventories by Baht 17 million (Separate financial statements: Baht 17 million), to reflect the net realisable value. This was included in cost of sales.

During the year 2021, the Group reversed the write-down of cost of inventories by Baht 8 million (Separate financial statements: Baht 8 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Restricted bank deposits

The balance as at 31 December 2021 represents savings deposits of the Company pledged as collateral to secure a long-term loan, as described in Note 18. The Company fully repaid this loan during the year 2022.

## 11. Investment in subsidiary

Details of investment in subsidiary as presented in the separate financial statements are as follows.

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
			(%)	(%)		
Asian Pets Care Corporation Co., Ltd.	200,000	200,000	100	100	130,800	130,800

## 12. Investments in joint ventures

### 12.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Group and other companies. Details of these investments are as follows.

(Unit: Thousand Baht)

Joint ventures	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
Asian Group SCS Europe GmbH	Marketing and distribution of the Group's products outside Thailand	Germany	60	60	572	572	-	-
Shandong Thaiya Meisi Pet Foods Co., Ltd.	Producing pet food pellets in China	China	51	51	44,487	44,487	34,179	40,550
Total					45,059	45,059	34,179	40,550





(Unit: Thousand Baht)

Joint venture	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2022	2021	2022	2021
			(%)	(%)		
Asian Group SCS Europe GmbH	Marketing and distribution of the Group's products outside Thailand	Germany	60	60	572	572

## 12.2 Share of comprehensive income and dividend received

During the years, the Group recognised its share of comprehensive income from investments in joint ventures in the consolidated financial statements as follows.

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements			
	Share of profit (loss)		Share of other comprehensive income	
	2022	2021	2022	2021
Asian Group SCS Europe GmbH	4,736	2,102	181	(255)
Shandong Thaiya Meisi Pet Foods Co., Ltd.	(5,441)	(4,889)	(930)	2,946
Total	(705)	(2,787)	(749)	2,691

The Group recognised cumulative share of losses from investment in a joint venture until the value of the investment approached zero. Subsequent cumulative share of losses incurred by the joint venture have been recognised as deductions from the balance of long-term loan receivable (as mentioned in Note 6).

The joint ventures did not pay any dividend in the years 2022 and 2021.

The share of profit (loss) from investments in joint ventures for the year ended 31 December 2022 have been accounted for based on the financial information prepared by the management of those companies, which has not been audited by their auditors. However, the Group's management believes that there would be no material discrepancies if those financial information had been audited by the joint ventures' auditors.

### 13. Investment in associate

#### 13.1 Details of investment in associate

(Unit: Thousand Baht)								
Consolidated financial statements								
Associate	Nature of business	Country of incorporation	Shareholding		Carrying amounts			
			percentage		Cost		based on equity method	
			2022	2021	2022	2021	2022	2021
			(%)	(%)				
Inter Petrina Co., Ltd.	Distribution of animal feeds	Thailand	40	40	1,600	1,600	-	-

(Unit: Thousand Baht)

		Separate financial statements					
Associate	Nature of business	Country of incorporation	Shareholding percentage		Cost		
			2022	2021	2022	2021	
			(%)	(%)			
Inter Petrina Co., Ltd.	Distribution of animal feeds	Thailand	40	40	1,600	1,600	

#### 13.2 Share of profit and dividend received

During the years, the Group recognised its share of profit from investment in associate in the consolidated financial statements as follows.

(Unit: Thousand Baht)

Associate	Consolidated financial statements	
	Share of profit	
	2022	2021
Inter Petrina Co., Ltd.	1,230	931

The Group recognised cumulative share of losses from investment in an associate until the value of the investment approached zero. Subsequent cumulative share of losses incurred by the associate has been recognised by deducting from the balances of long-term loan receivables (as mentioned in Note 6).

The associate did not pay any dividend in the years 2022 and 2021.

The share of profit from investment in associate for the year ended 31 December 2022 have been accounted for based on the financial information prepared by the management of that company, which has not been audited by its auditor. However, the Group's management believes that there would be no material discrepancies if those financial information had been audited by the associate's auditor.

**14. Plant and equipment**

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	
<b>Cost</b>							
As at 1 January 2021	38,465	583,237	1,087,658	38,107	12,445	29,809	1,789,721
Additions	2,276	25,716	181,125	11,580	37	79,375	300,109
Disposals	-	-	(638)	(9)	(982)	-	(1,629)
Transfer in (out)	358	2,670	12,110	217	-	(15,355)	-
Translation adjustments	-	-	-	28	-	-	28
As at 31 December 2021	41,099	611,623	1,280,255	49,923	11,500	93,829	2,088,229
Additions	2,918	23,859	149,692	14,274	31	241,928	432,702
Disposals/written-off	(1,910)	(5,922)	(43,397)	(12,718)	-	-	(63,947)
Transfer in (out)	1,139	124,952	65,179	2,398	-	(193,668)	-
Translation adjustments	-	-	-	(12)	-	-	(12)
As at 31 December 2022	43,246	754,512	1,451,729	53,865	11,531	142,089	2,456,972
<b>Accumulated depreciation</b>							
As at 1 January 2021	(20,868)	(265,410)	(562,334)	(24,919)	(9,063)	-	(882,594)
Depreciation for the year	(4,842)	(30,387)	(88,860)	(5,004)	(830)	-	(129,923)
Depreciation on disposals	-	-	607	5	982	-	1,594
Translation adjustments	-	-	-	(15)	-	-	(15)
As at 31 December 2021	(25,710)	(295,797)	(650,587)	(29,933)	(8,911)	-	(1,010,938)
Depreciation for the year	(3,594)	(29,638)	(111,638)	(7,327)	(496)	-	(152,693)
Depreciation on disposals/ written-off	1,037	4,630	41,882	12,486	-	-	60,035
Translation adjustments	-	-	-	12	-	-	12
As at 31 December 2022	(28,267)	(320,805)	(720,343)	(24,762)	(9,407)	-	(1,103,584)
<b>Net book value</b>							
As at 31 December 2021	15,389	315,826	629,668	19,990	2,589	93,829	1,077,291
As at 31 December 2022	14,979	433,707	731,386	29,103	2,124	142,089	1,353,388
<b>Depreciation for the years</b>							
2021 (Baht 125 million included in manufacturing cost, and the balance in selling and administrative expenses)							129,923
2022 (Baht 147 million included in manufacturing cost, and the balance in selling and administrative expenses)							152,693

(Unit: Thousand Baht)

Separate financial statements							
	Land improvement	Buildings and building improvement	Machinery and equipment	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and construction	Total
<b>Cost</b>							
As at 1 January 2021	38,465	582,917	1,085,997	36,443	12,445	29,809	1,786,076
Additions	2,276	25,716	180,817	11,484	37	79,375	299,705
Disposals	-	-	(638)	(9)	(982)	-	(1,629)
Transfer in (out)	358	2,670	12,110	217	-	(15,355)	-
As at 31 December 2021	41,099	611,303	1,278,286	48,135	11,500	93,829	2,084,152
Additions	2,918	23,859	146,972	14,253	31	241,928	429,961
Disposals/written-off	(1,910)	(5,922)	(43,397)	(12,718)	-	-	(63,947)
Transfer in (out)	1,139	124,952	65,179	2,398	-	(193,668)	-
As at 31 December 2022	43,246	754,192	1,447,040	52,068	11,531	142,089	2,450,166
<b>Accumulated depreciation</b>							
As at 1 January 2021	(20,868)	(265,314)	(561,983)	(24,340)	(9,063)	-	(881,568)
Depreciation for the year	(4,842)	(30,323)	(88,325)	(4,628)	(830)	-	(128,948)
Depreciation on disposals	-	-	607	5	982	-	1,594
As at 31 December 2021	(25,710)	(295,637)	(649,701)	(28,963)	(8,911)	-	(1,008,922)
Depreciation for the year	(3,594)	(29,574)	(110,724)	(6,978)	(496)	-	(151,366)
Depreciation on disposals/ written-off	1,037	4,630	41,882	12,486	-	-	60,035
As at 31 December 2022	(28,267)	(320,581)	(718,543)	(23,455)	(9,407)	-	(1,100,253)
<b>Net book value</b>							
As at 31 December 2021	15,389	315,666	628,585	19,172	2,589	93,829	1,075,230
As at 31 December 2022	14,979	433,611	728,497	28,613	2,124	142,089	1,349,913
<b>Depreciation for the years</b>							
2021 (Baht 124 million included in manufacturing cost, and the balance in selling and administrative expenses)							128,948
2022 (Baht 146 million included in manufacturing cost, and the balance in selling and administrative expenses)							151,366

As at 31 December 2022, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 401 million (2021: Baht 362 million) and Separate financial statements: Baht 401 million (2021: Baht 362 million).

As at 31 December 2021, the Company had pledged buildings with a net book value of Baht 108 million as collateral to secure credit facilities received from banks for Asian Sea Corporation Public Company Limited and cancelled the mortgage of its buildings as collateral for credit facilities during the year 2022.



## 15. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	Trademark	Computer software	Computer software under installation	Total	Trademark	Computer software	Computer software under installation	Total
<b>Cost</b>								
As at 1 January 2021	1,140	15,412	54	16,606	-	10,420	-	10,420
Additions	-	2,323	354	2,677	52,300	2,238	354	54,892
Translation adjustments	-	25	-	25	-	-	-	-
As at 31 December 2021	1,140	17,760	408	19,308	52,300	12,658	354	65,312
Additions	-	1,132	1,350	2,482	-	397	1,350	1,747
Written-off	(1,140)	-	(54)	(1,194)	-	-	-	-
Transfer in (out)	-	354	(354)	-	-	354	(354)	-
Translation adjustments	-	(11)	-	(11)	-	-	-	-
As at 31 December 2022	-	19,235	1,350	20,585	52,300	13,409	1,350	67,059
<b>Accumulated amortisation</b>								
As at 1 January 2021	(171)	(1,107)	-	(1,278)	-	(683)	-	(683)
Amortisation for the year	(112)	(1,310)	-	(1,422)	-	(818)	-	(818)
Translation adjustments	-	(10)	-	(10)	-	-	-	-
As at 31 December 2021	(283)	(2,427)	-	(2,710)	-	(1,501)	-	(1,501)
Amortisation for the year	-	(1,452)	-	(1,452)	-	(890)	-	(890)
Amortisation on written-off	283	-	-	283	-	-	-	-
Translation adjustments	-	8	-	8	-	-	-	-
As at 31 December 2022	-	(3,871)	-	(3,871)	-	(2,391)	-	(2,391)
<b>Net book value</b>								
As at 31 December 2021	857	15,333	408	16,598	52,300	11,157	354	63,811
As at 31 December 2022	-	15,364	1,350	16,714	52,300	11,018	1,350	64,668

### Intangible assets with indefinite useful lives

The Company's trademarks have indefinite useful lives. They are thus not amortised. As at 31 December 2022 and 2021, details of the Company's trademarks are as follows.

(Unit: Thousand Baht)

Trademarks	Separate Financial Statement	
	Cost	
	2022	2021
Mon Chou	47,000	47,000
Hajiko	5,300	5,300
Total	52,300	52,300

The Company allocates trademarks with indefinite useful lives to two cash-generating units, namely the Mon Chou and Hajiko trademarks, for annual impairment testing.

The Company has determined that the recoverable amounts of its cash-generating units based on value in use, using cash flow projections based on financial estimates approved by management and key assumptions relating to revenue growth rate and discount rate.

#### 16. Short-term loans from banks

	Interest rate		(Unit: Thousand Baht)	
	(percent per annum)		Consolidated/Separate	
	2022	2021	2022	2021
Promissory notes	-	2.60 - 2.70	-	221,665
Trust receipt	-	2.25 - 2.73	-	210,581
Packing credit	-	2.25	-	63,500
Total			-	495,746

The Company's short-term loan facilities, used jointly with related parties, are guaranteed by its parent company. During the year 2022, the Company cancelled these credit facilities and entered into new credit facility agreements that do not require a guarantee for the Company.

#### 17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Trade payables - related parties (Note 6)	7,935	4,231	4,787	4,231
Trade payables - unrelated parties	313,124	337,495	297,493	336,198
Other payables - related parties (Note 6)	820	2,838	820	2,106
Other payables - unrelated parties	73,014	65,380	72,498	63,128
Accrued expenses	96,875	107,192	92,085	102,338
Total	491,768	517,136	467,683	508,001





## 18. Long-term loans

			(Unit: Thousand Baht)	
			Consolidated/Separate financial statements	
Loan	Interest rate (percent per annum)	Repayment schedule	2022	2021
1	THBFIX 3M + 2.00	Monthly repayment as from October 2019 until September 2022	-	75,090
2	For first year after receiving the loan, interest rate at 3.25 and subsequently, interest rate at MLR - 1.75	Monthly repayment as from June 2023 until August 2025	270,000	-
Total			270,000	75,090
Less: Deferred financial fee			-	(174)
Less: Portion due within one year			(70,000)	(74,916)
Portion due more than one year			200,000	-

Movements in the long-term loans account for the years ended 31 December 2022 and 2021 are summarised below.

			(Unit: Thousand Baht)	
			Consolidated/Separate financial statements	
			2022	2021
Beginning balance			75,090	175,050
Additional borrowings			270,000	-
Repayments			(75,090)	(99,960)
Deferred financial fee			-	(174)
Ending balance			270,000	74,916

Loan No.1 is secured by guarantee provided by the parent company, Asian Seafoods Coldstorage (Suratthani) Co., Ltd. and Asian Feed Co., Ltd., the pledge of bank deposits stipulated in the loan agreement, and the transfer of the rights to receive payment from a list of authorised customers to a debt service account set aside for repayment of this loan.

Loan No.2 required the parent company to maintain its proportionate shareholding in the Company and a certain group of the shareholders to maintain their proportional shareholding in the parent company, as prescribed in the agreement.

The loan agreement contains several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rates prescribed in the agreement.

## 19. Leases

### The Group as a lessee

The Group entered into lease contract for the purposes of use in the Group's operations, whereby underlying asset is not allowed to be subleased and transferred to others, unless a prior written consent of the lessor has been obtained.

#### a) Right-of-use assets

Movement in right-of-use assets account for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land	Buildings	Factory equipment	Office equipment	Motor vehicles	Total
As at 1 January 2021	15,614	25,426	10,519	129	3,496	55,184
Additions	-	-	10,640	-	-	10,640
Depreciation for the year	(5,682)	(9,534)	(6,018)	(64)	(949)	(22,247)
As at 31 December 2021	9,932	15,892	15,141	65	2,547	43,577
Effect of contract modification	131,842	8,497	-	-	-	140,339
Additions	-	928	10,777	-	2,466	14,171
Depreciation for the year	(4,723)	(5,123)	(8,512)	(31)	(1,094)	(19,483)
Cancellation contract	-	(9,932)	-	-	-	(9,932)
As at 31 December 2022	137,051	10,262	17,406	34	3,919	168,672

(Unit: Thousand Baht)

	Separate financial statements					
	Land	Buildings	Factory equipment	Office equipment	Motor vehicles	Total
As at 1 January 2021	15,614	24,984	10,519	129	-	51,246
Additions	-	-	10,640	-	-	10,640
Depreciation for the year	(5,682)	(9,092)	(6,018)	(64)	-	(20,856)
As at 31 December 2021	9,932	15,892	15,141	65	-	41,030
Effect of contract modification	131,842	8,497	-	-	-	140,339
Additions	-	928	10,777	-	2,466	14,171
Depreciation for the year	(4,723)	(5,123)	(8,512)	(31)	(144)	(18,533)
Cancellation contract	-	(9,932)	-	-	-	(9,932)
As at 31 December 2022	137,051	10,262	17,406	34	2,322	167,075

**b) Lease liabilities**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Lease payments	436,525	46,123	434,756	43,324
Less: Deferred interest expenses	(261,456)	(2,020)	(261,397)	(1,872)
Total	175,069	44,103	173,359	41,452
Less: Portion due within one year	(12,694)	(22,777)	(11,714)	(21,836)
Portion due more than one year	162,375	21,326	161,645	19,616

Movements in the lease liabilities account during the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Beginning balance	44,103	55,324	41,452	51,318
Effect of contract modification	140,339	-	140,339	-
Additions	14,171	10,640	14,171	10,640
Accretion of interest	10,871	1,713	10,782	1,583
Payments of lease	(24,238)	(23,574)	(23,208)	(22,089)
Cancellation of contract	(10,177)	-	(10,177)	-
Ending balance	175,069	44,103	173,359	41,452

A maturity analysis of lease payments is disclosed in Note 35.2 under the liquidity risk.

**c) Expenses relating to leases those are recognised in profit or loss**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	19,483	22,247	18,533	20,856
Interest expenses on lease liabilities	10,871	1,713	10,782	1,583
Expenses relating to short-term leases	12,154	2,775	12,154	2,775

**d) Other**

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 36.4 million (2021: Baht 26.3 million) Separate financial statements: Bath 35.4 million (2021: Baht 24.9 million), including the cash outflow related to short-term lease.

## 20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	27,400	17,513	27,028	17,070
Included in profit or loss:				
Current service cost	2,814	2,800	2,632	2,647
Interest cost	591	301	581	293
Past service costs	-	551	-	551
Transfer employee	-	1,154	-	1,215
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	4,659	-	4,546
Financial assumptions changes	(1,691)	(2,810)	(1,656)	(2,742)
Experience adjustments	1,943	3,978	2,060	4,194
Benefits paid during the year	(212)	(746)	(212)	(746)
<b>Provision for long-term employee benefits</b>				
<b>at end of year</b>	30,845	27,400	30,433	27,028

As at 31 December 2022, the Group expects to pay Baht 1.4 million of long-term employee benefits during the next year (2021: Baht 1.0 million) and Separate financial statements: Baht 1.4 million (2021: Baht 1.0 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits of the Group is 18 years (2021: 15 years) and the Company only: 18 years (2021: 15 years).

Significant actuarial assumptions are summarised below.

	(Unit: percent per annum)	
	Consolidated/Separate	
	financial statements	
	2022	2021
Discount rate	1.44 - 5.65	0.52 - 3.56
Salary increase rate	3.00 - 5.00	3.00 - 5.00
Employee turnover rate	0 - 50	0 - 50



The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations are summarised below.

(Unit: Thousand Baht)

As at 31 December 2022				
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,325)	3,901	(3,262)	3,825
Salary increase rate	3,818	(3,321)	3,744	(3,258)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Employee turnover rate	(2,975)	3,568	(2,912)	3,493

(Unit: Thousand Baht)

As at 31 December 2021				
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(3,133)	3,700	(3,071)	3,625
Salary increase rate	3,621	(3,119)	3,548	(3,058)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Employee turnover rate	(2,918)	3,558	(2,855)	3,482

## 21. Share Capital

### 21.1 Change in the par value and increase in the Company's registered share capital

On 4 March 2022, the 2022 Annual General Meeting of the Company's shareholders passed resolutions approving the change in the par value of the Company's shares and increase in the registered share capital as follows:

- A decrease in the par value of the Company's shares from Baht 10 each to Baht 1 each, resulting in an increase in the number of shares from 170 million shares to 1,700 million shares, consisting of 1,700 million ordinary shares.
- An increase in the Company's registered share capital of Baht 425 million (425 million ordinary shares at par value of Baht 1 each) from the registered share capital of Baht 1,700 million to Baht 2,125 million, resulting in the Company's registered share capital equivalent to 2,125 million shares with par value of Baht 1 each to support an Initial Public Offering (IPO).

And, on 10 March 2022, the Company registered the changes with the Ministry of Commerce.

## 21.2 Plan for initial public offering (IPO) of the Company

On 4 March 2022, the 2022 Annual General Meeting of the Company's shareholders passed resolutions approving an allocation of ordinary shares of the Company and an initial public offering (IPO) of the Company's shares, comprising not more than 637.5 million shares or not more than 30 percent of the total paid-up capital of the Company after the IPO, as follows:

- a) Not more than 425 million newly-issued ordinary shares of the Company, as discussed in Note 21.1 b), or not more than 20 percent of the total paid-up capital of the Company after the IPO.
- b) Not more than 212.5 million existing ordinary shares of the Company held by Asian Sea Corporation Public Company Limited (the parent company), or not more than 10 percent of the total paid-up capital of the Company after the IPO.

## 21.3 Allocation of newly-issued ordinary shares of the Company to the directors, executives, and/or employees of the Company and/or the Company's subsidiaries (ESOP)

The Extraordinary General Meeting of the Company's shareholders on 8 April 2022 and the 2022 Annual General Meeting of the parent company's shareholders on 22 April 2022 passed resolutions approving the issuance and offering, as discussed in Note 21.1 b), of not more than 10 million newly-issued ordinary shares of the Company with a par value of Baht 1 each to the directors, executives, and/or employees of the Company and/or the Company's subsidiaries (ESOP), as discussed in Note 22.

## 21.4 Offering and registration of the Company's ordinary shares as listed securities on the Stock Exchange of Thailand

During 17 to 21 October 2022 the Company offered ordinary shares of the Company to those of the ordinary shareholders of Asian Sea Corporation Public Company Limited (ASIAN) (the parent company) who have pre-emptive rights, in proportion to their shareholding in ASIAN, to 114,525,933 new ordinary shares with a par value of Baht 1 each, at an offering price of Baht 5.55 per share, amounting to Baht 635.6 million.

On 21, 25 and 26 October 2022 the Company offered newly-issued ordinary shares of the Company and the parent company offered existing ordinary shares of the Company held by the parent company as follows:

- a) 507,474,967 ordinary shares with a par value of Baht 1 each offered through an initial public offering at a price of Baht 5.55 per share, amounting to Baht 2,816.5 million.
- b) 6,524,100 of ordinary shares with a par value of Baht 1 each offered to directors, executives, and/or employees of ASIAN and/or ASIAN's subsidiaries at a price of Baht 5.55 per share, amounting to Baht 36.2 million.
- c) 8,975,000 of ordinary shares with a par value of Baht 1 each offered under the ESOP, as discussed in Note 22, at a price of Baht 5.00 per share, amounting to Baht 44.9 million.





Subsequently, the Company and the parent company received full payment of the shares on 27 October 2022 and registered the increase of its issued and paid-up share capital from Baht 1,700 million (1,700 million ordinary shares with a par value of Baht 1 each) to Baht 2,125 million (2,125 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on the same date. The Stock Exchange of Thailand has approved the 637.5 million ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted as from 1 November 2022.

The Company incurred expenses relating to the share offering amounting to approximately Baht 43.7 million (net of income tax of Baht 10.9 million), and these expenses were recorded as a deduction against share premium.

## 22. Share-based payments

Options to purchase newly-issued ordinary shares to the directors, executives, and/or employees of the Company and/or the Company's subsidiaries (ESOP) as follows:

Type of securities	Newly-issued ordinary shares of the Company to be offered to the directors, executives, and/or employees of the Company and/or the Company's subsidiaries.
Number of newly-issued ordinary shares to be issued and offered	Not more than 10,000,000 shares with a par value of Baht 1 per share
Offering price per share	90 percent of the IPO price
Offering period	Date of the IPO
Conditions of the allocation	Being a director, executive, and/or employee of the Company and/or the Company's subsidiaries at the record date and remaining a director, executive, and/or employee of the Company and/or the Company's subsidiaries until the offering date

During the year 2022, the Company recognised share-based payment expenses, together with a corresponding increase in "Share-based payment reserve" in shareholders' equity, amounting to Baht 4.9 million and recorded transfer of all share-based payment reserve to share premium on 27 October 2022.

## 23. Statutory reserves

As mentioned in Note 1.1, Formerly, the Company was registered as a limited company and was registered as a public company limited with the Ministry of Commerce on 10 March 2022.

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

According to the Thai Civil and Commercial Code, the Company is required to set aside to a statutory reserve an amount equal to at least 5% of its net profit each time the Company pays out a dividend, until such reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution.

During the year 2022, the Company set aside to a statutory reserve of Baht 80.1 million (2021: Baht 43.0 million).

## 24. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Export incentives	49,091	34,638	49,091	34,638
Others	22,773	16,304	22,952	16,233
Total	71,864	50,942	72,043	50,871

## 25. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expenses on borrowings	25,371	19,039	23,683	18,151
Interest expenses on lease liabilities	10,871	1,713	10,782	1,583
Total	36,242	20,752	34,465	19,734

**26. Expenses by nature**

Significant expenses classified by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salaries, wages and other employee benefits	892,166	774,810	859,504	746,551
Depreciation and amortisation	173,628	153,592	170,789	150,622
Transport expenses	102,127	80,191	90,912	73,357
Raw materials and consumables used	3,871,584	2,930,118	3,866,857	2,929,722
Changes in inventories of finished goods and work in process	63,558	(391,088)	66,481	(383,392)
Loss on exchange rate	44,402	41,850	43,890	41,850
Warehouse service fee	64,233	54,131	64,233	54,131

**27. Income tax**

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Current income tax</b>				
Current income tax charge	92,737	69,486	92,737	69,486
Income tax directly related to shareholders' equity	10,931	-	10,931	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	22,162	7,951	22,200	8,060
<b>Income tax expenses reported in profit or loss</b>	<b>125,830</b>	<b>77,437</b>	<b>125,868</b>	<b>77,546</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Deferred tax relating to actuarial loss	(50)	(1,165)	(81)	(1,200)

The reconciliation between accounting profit and income tax expenses is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Accounting profit before tax	984,944	716,449	1,029,462	776,473
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	196,989	143,290	205,892	155,295
Share of (profit) loss from joint ventures and associate	(105)	371	-	-
Effects of eliminated entries	263	10,076	-	-
Deferred tax assets relating to tax losses	8,111	1,288	-	-
Effects of:				
Promotional privileges (Note 28)	(80,062)	(78,985)	(80,062)	(78,985)
Exempted revenues and non-deductible expenses	1,731	2,014	1,135	1,853
Others	(1,097)	(617)	(1,097)	(617)
Total	(79,428)	(77,588)	(80,024)	(77,749)
Income tax expenses reported in profit or loss	125,830	77,437	125,868	77,546



The components of deferred tax assets and deferred tax liabilities are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Deferred tax assets</b>				
Allowance for expected credit losses	1,868	1,150	1,868	1,150
Allowance for diminution in value of inventories	8,191	4,785	8,191	4,785
Provision for long-term employee benefits	6,169	5,480	6,086	5,406
Unrealised loss from derivatives	-	4,691	-	4,691
Unused tax losses	1,257	-	1,257	-
Total	17,485	16,106	17,402	16,032
<b>Deferred tax liabilities</b>				
Depreciation and amortisation	(15,783)	(14,264)	(15,783)	(14,264)
Unrealised gain from derivatives	(21,971)	-	(21,971)	-
Total	(37,754)	(14,264)	(37,754)	(14,264)
Net	(20,269)	1,842	(20,352)	1,768

As at 31 December 2022, the Group has unused tax losses amounting to Baht 56 million (2021: Baht 48 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the unused tax losses. The unused tax losses will gradually expire in 2027.

## 28. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act B.E. 2520 by the Board of Investment. Subject to certain imposed conditions, significant tax privileges included the following.

Certificate No.	63-0035-1-05-1-0	64-0635-1-00-1-0	65-1479-1-00-1-0
Promoted operations	Production of packaged seafoods, animal feeds and fishmeal	Production of packaged animal feeds	Production of packaged ready-to-eat foods and animal feeds
<u>Promotional privileges for</u>			
1. Exemption from corporate income tax for net profit from the promoted operation equal to 100% of the investment made in automatic warehouses or robotic machines for a period of 3 years, commencing from the date the promoted operations commenced generating revenues.	Granted	-	-
Period of corporate income tax exemption	10 Jan 2020 - 9 Jan 2023	-	-

Certificate No.	63-0035-1-05-1-0	64-0635-1-00-1-0	65-1479-1-00-1-0
Promoted operations	Production of packaged seafoods, animal feeds and fishmeal	Production of packaged animal feeds	Production of packaged ready-to-eat foods and animal feeds
2. Exemption from corporate income tax for net profit from the promoted operation does not exceed 100% of investment capital exclusive of land and working capital for a period of 5 years, commencing from the date the promoted operations commenced generating revenues. Period of corporate income tax exemption	-	Granted	Granted
3. Utilisation of net loss incurred during the exemption period as a deduction from net profit incurred subsequent to such period for another 5 years.	Granted	7 Sep 2021 - 6 Sep 2026 Granted	Not yet commencing Granted
4. Exemption from income tax on dividend that is distributed from the promoted operations.	Granted	Granted	Granted
5. Exemption from import duty on machinery as approved by the Board of Investment.	Granted	Granted	Granted
6. Exemption from import duty on imported essential raw materials used in manufacturing for export sales for a period of 1 year commencing from the first importation date.	-	Granted	Granted
7. Exemption from import duty on imported articles for re-export for a period of 1 year commencing from the first importation date.	-	Granted	Granted

The Company's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	2022	2021	2022	2021	2022	2021
Sales						
Domestic sales	260,433	158,422	195,847	143,126	456,280	301,548
Export sales	1,894,050	1,864,241	4,670,245	2,781,090	6,564,295	4,645,331
Total	<u>2,154,483</u>	<u>2,022,663</u>	<u>4,866,092</u>	<u>2,924,216</u>	<u>7,020,575</u>	<u>4,946,879</u>





## 29. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period after adjusting the number of ordinary shares to reflect the impact of the change in the par value of the ordinary shares, as discussed in Note 21.1 a), as if the change in the par value of the ordinary shares had been occurred at the beginning of the earliest period reported.

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Profit for the period attributable to equity holders of the Company (Thousand Baht)	859,114	652,997	903,593	698,927
Weighted average number of ordinary shares (Thousand shares)	1,776,849	1,700,000	1,776,849	1,700,000
Basic earnings per share (Baht)	0.48	0.38	0.51	0.41

## 30. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is principally engaged in the manufacturing and distribution of shelf-stabled foods segment. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of revenues, operating profit and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

The following tables present revenues regarding the Group's products for the years ended 31 December 2022 and 2021.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Product type		
Human food (ready-to-eat) products	1,024,924	838,640
Pet food products	6,098,588	4,146,850
Total	7,123,512	4,985,490

## Geographic information

Revenues from external customers are based on locations of customers as follows.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2022	2021
Revenues from external customers		
United States of America	4,198,885	2,604,045
United Kingdom	880,441	848,542
Thailand	539,288	316,571
Saudi Arabia	411,823	309,337
Japan	292,906	344,601
Others	800,169	562,394
Total	7,123,512	4,985,490

In the year 2022, the Group had three major customers with revenues of more than 10% of its revenues amounting to Baht 4,619 million (2021: three major customers with revenues of Baht 3,041 million).

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
<b>Timing of revenue recognition</b>				
Revenues recognised at a point in time	7,071,772	4,945,793	6,968,835	4,907,182
Revenues recognised over time	51,740	39,697	51,740	39,697
Total	7,123,512	4,985,490	7,020,575	4,946,879

## 31. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 2% of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to Baht 2.2 million (2021: Baht 2.1 million) were recognised as expenses and Separate financial statements: Baht 2.2 million (2021: Baht 2.0 million).

**32. Dividend paid**

Dividends	Approved by	Number of shares (Million shares)	Dividend per share (Baht)	Total dividends (Million Baht)
Final dividends for 2020	Annual General Meeting of the shareholders on 29 April 2021	170	4.650	790.5
Total for 2021				790.5
Final dividends for 2021	Annual General Meeting of the shareholders on 4 March 2022	170	1.882	320.0
Interim dividends for 2022	Board of Directors' meeting on 4 August 2022	1,700	0.113	192.1
Total for 2022				512.1

**33. Commitments and contingent liabilities****33.1 Capital commitment**

As at 31 December 2021, the Company had outstanding capital commitment of Baht 131.9 million (2022: None) in respect of building construction.

**33.2 Investment commitment**

As at 31 December 2022, Asian Pets Care Corporation Co., Ltd. has outstanding commitment of USD 1.0 million (2021: None) in respect of uncalled portion of investment in Thaiya Corporation (Shanghai) Co., Ltd.

**33.3 Guarantees**

As at 31 December 2022, there were outstanding bank guarantees of Baht 7.9 million (2021: Baht 6.3 million) issued by banks on behalf of the Company to guarantee electricity use.

**34. Fair value hierarchy**

As at 31 December 2022 and 2021, the Group had the following assets and liabilities that were measured at fair value using level 2 (fair value is measured using other observable inputs for such assets, whether directly or indirectly) as follows.

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	2022	2021
<b>Assets measured at fair value</b>		
Forward foreign exchange contracts	109,853	-
<b>Liabilities measured at fair value</b>		
Forward foreign exchange contracts	-	23,457

During the current year, there were no transfers within the fair value hierarchy.

## 35. Financial instruments

### 35.1 Derivatives

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	2022	2021
<b>Derivative assets</b>		
Derivative assets not designated as hedging instruments		
Forward foreign exchange contracts	109,853	-
<b>Derivative liabilities</b>		
Derivative liabilities not designated as hedging instruments		
Forward foreign exchange contracts	-	23,457

#### Derivatives not designated as hedging instruments

The Group uses forward foreign exchange contracts to manage the foreign currency risk related to export of products. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally of 6 to 9 months.

### 35.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, short-term loans to related parties, long-term loans to joint ventures and associate, trade and other payables, short-term and long-term loans from banks and other current financial liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

#### Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loans, deposits with banks and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk.

#### Trade and other receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are covered by credit insurance obtained from the banks. In addition, the Group does not have high concentrations of credit risk since it has a large and various customer base.



An impairment analysis is performed at each reporting date to measure expected credit losses for groups of receivables with similar credit risk characteristics, with the rate of provision for expected credit losses used in the calculation based on age of the outstanding receivables for each group. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off in accordance with the Group's policy, when appropriate.

### ***Financial instruments and cash deposits***

Credit risk associated with balances at banks is managed in accordance with the Group's policy. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The credit limits are set to minimise risk concentrations and risk of losses as a result of counterparty's potential failure to make payments.

The Group's credit risk in derivative is relatively low since the counterparties are the bank which have high credit rating, assessed by international credit rating agency.

### **Market risk**

#### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its purchasing and selling of goods transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts. Generally, the forward contracts mature within one year.

As at 31 December 2022 and 2021, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	25,434	15,919	2,981	3,048	34.56	33.42
Japanese yen	-	-	12,331	-	0.26	-
EURO	100	250	224	-	36.83	37.51
New Zealand dollar	-	-	135	-	22.18	-

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2022	2021	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	24,926	16,190	2,981	3,048	34.56	33.42
Japanese yen	-	-	12,331	-	0.26	-
EURO	-	-	224	-	37.21	-
New Zealand dollar	-	-	135	-	22.18	-
Renminbi	314	-	-	-	4.90	-

As at 31 December 2022 and 2021, forward exchange contracts outstanding, which will mature in one year, are summarised below.

Foreign currency	Consolidated/Separate financial statements			
	Contractual Amount		Contractual exchange rate	
	2022	2021	2022	2021
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	

Sold amount

US dollar	65,859	58,151	33.84 - 37.38	32.26 - 33.90
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The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Consolidated financial statements			
	2022		2021	
	Increase/ Decrease	Effect on profit before tax	Increase/ Decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+ 5	(73,435)	+ 5	(75,707)
	- 5	73,435	- 5	75,707

Currency	Separate financial statements			
	2022		2021	
	Increase/ Decrease	Effect on profit before tax	Increase/ Decrease	Effect on profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+ 5	(74,313)	+ 5	(75,254)
	- 5	74,313	- 5	75,254



**Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its deposits at banks, short-term and long-term loans to related parties, short-term loans from banks, long-term loans from bank and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rate further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements						
2022						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	900,000	-	587,383	20,407	1,507,790	Note 7
Trade and other receivables	-	-	-	981,091	981,091	-
Other current financial assets	-	-	-	109,853	109,853	-
Long-term loans to joint ventures	-	14,457	-	-	14,457	Note 6
Long-term loan to associate	-	3,663	-	-	3,663	Note 6
	<u>900,000</u>	<u>18,120</u>	<u>587,383</u>	<u>1,111,351</u>	<u>2,616,854</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	491,768	491,768	-
Long-term loans	70,000	-	200,000	-	270,000	Note 18
Lease liabilities	12,694	162,375	-	-	175,069	3.07 - 7.60
	<u>82,694</u>	<u>162,375</u>	<u>200,000</u>	<u>491,768</u>	<u>936,837</u>	

(Unit: Thousand Baht)

Consolidated financial statements						
2021						
	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	28,533	17,411	45,944	Note 7
Trade and other receivables	-	-	-	606,817	606,817	-
Restricted bank deposits	-	-	18,562	-	18,562	0.25
Long-term loans to joint ventures	-	15,808	-	-	15,808	Note 6
Long-term loan to associate	-	2,433	-	-	2,433	Note 6
	<u>-</u>	<u>18,241</u>	<u>47,095</u>	<u>624,228</u>	<u>689,564</u>	

(Unit: Thousand Baht)

## Consolidated financial statements

2021

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial liabilities</b>						
Short-term loans from banks	495,746	-	-	-	495,746	Note 16
Trade and other payables	-	-	-	517,136	517,136	-
Other current financial liabilities	-	-	-	23,457	23,457	-
Long-term loans	-	-	74,916	-	74,916	Note 18
Lease liabilities	22,777	21,326	-	-	44,103	3.05 - 5.01
	<u>518,523</u>	<u>21,326</u>	<u>74,916</u>	<u>540,593</u>	<u>1,155,358</u>	

(Unit: Thousand Baht)

## Separate financial statements

2022

	Fixed interest rate		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	900,000	-	567,254	20,177	1,487,431	Note 7
Trade and other receivables	-	-	-	957,828	957,828	-
Short-term loans to related parties	80,665	-	-	-	80,665	Note 6
Other current financial assets	-	-	-	109,853	109,853	-
Long-term loan to associate	-	4,800	-	-	4,800	Note 6
	<u>980,665</u>	<u>4,800</u>	<u>567,254</u>	<u>1,087,858</u>	<u>2,640,577</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	467,683	467,683	-
Long-term loans	70,000	-	200,000	-	270,000	Note 18
Lease liabilities	11,714	161,645	-	-	173,359	3.07 - 7.60
	<u>81,714</u>	<u>161,645</u>	<u>200,000</u>	<u>467,683</u>	<u>911,042</u>	



(Unit: Thousand Baht)

Separate financial statements						
2021						
	Fixed interest rate		Floating interest rate	Non-interest Bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	13,006	17,189	30,195	Note 7
Trade and other receivables	-	-	-	598,146	598,146	-
Short-term loans to related parties	23,234	-	-	-	23,234	Note 6
Restricted bank deposits	-	-	18,562	-	18,562	0.25
Long-term loan to associate	-	4,800	-	-	4,800	Note 6
	23,234	4,800	31,568	615,335	674,937	
<b>Financial liabilities</b>						
Short-term loans from banks	495,746	-	-	-	495,746	Note 16
Trade and other payables	-	-	-	508,001	508,001	-
Other current financial liabilities	-	-	-	23,457	23,457	-
Long-term loans	-	-	74,916	-	74,916	Note 18
Lease liabilities	21,836	19,616	-	-	41,452	3.05 - 5.01
	517,582	19,616	74,916	531,458	1,143,572	

### Liquidity risk

As of 31 December 2022, 56.5% (2021: 92.3%) of the Group's liabilities were set to mature within one year, based on the carrying value of borrowings reflected in the consolidated financial statements and Separate financial statements: 55.5% (2021: 92.4%). The Group has assessed the concentration of risk with respect to refinancing its debt and concluded the risk is low. Furthermore, the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows.

(Unit: Thousand Baht)					
Consolidated financial statements					
2022					
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	491,720	-	-	491,720
Long-term loans	-	78,251	205,687	-	283,938
Lease liabilities	-	24,402	55,117	357,006	436,525
<b>Total non-derivatives</b>	-	594,373	260,804	357,006	1,212,183

(Unit: Thousand Baht)

	Consolidated financial statements				
	2021				
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from banks	-	498,205	-	-	498,205
Trade and other payables	-	516,781	-	-	516,781
Long-term loans	-	75,838	-	-	75,838
Lease liabilities	-	24,053	22,070	-	46,123
<b>Total non-derivatives</b>	-	1,114,877	22,070	-	1,136,947
<b>Derivatives</b>					
Derivative liabilities: net settled	-	23,457	-	-	23,457
<b>Total derivatives</b>	-	23,457	-	-	23,457

(Unit: Thousand Baht)

	Separate financial statements				
	2022				
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	467,635	-	-	467,635
Long-term loans	-	78,251	205,687	-	283,938
Lease liabilities	-	23,372	54,378	357,006	434,756
<b>Total non-derivatives</b>	-	569,258	260,065	357,006	1,186,329

(Unit: Thousand Baht)

	Separate financial statements				
	2021				
	On	Less than	1 - 5	Over 5	
	demand	1 year	years	years	Total
<b>Non-derivatives</b>					
Short-term loans from banks	-	498,205	-	-	498,205
Trade and other payables	-	507,646	-	-	507,646
Long-term loans	-	75,838	-	-	75,838
Lease liabilities	-	23,023	20,301	-	43,324
<b>Total non-derivatives</b>	-	1,104,712	20,301	-	1,125,013



(Unit: Thousand Baht)

	Separate financial statements				
	2021				
	On demand	Less than 1 year	1 - 5 years	Over 5 years	Total
<b>Derivatives</b>					
Derivative liabilities: net settled	-	23,457	-	-	23,457
<b>Total derivatives</b>	-	23,457	-	-	23,457

### 35.3 Fair values of financial instruments

Given that some of the Group's financial assets and financial liabilities are short-term or bear interest at rates close to market rates, and loans denominated in Thai Baht carry interest at market rates, the Group's management believes that the fair values of those financial assets and financial liabilities closely approximate their carrying values in the statement of financial position.

### 36. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2022, the Group's debt-to-equity ratio was 0.2:1 (2021: 0.5:1) and the Company's was 0.2:1 (2021: 0.5:1).

### 37. Events after the reporting period

On 22 February 2023, the Board of Directors' meeting of the Company approved the dividend payment from its operating profit for the year 2022, at the rate of Baht 0.2904 per share for 2,125 million shares, totaling Baht 617.10 million. During the year 2022, the Company already paid an interim dividend of Baht 0.113 per share for 1,700 million shares, totaling Baht 192.10 million. The remaining dividend of Baht 0.2000 per share for 2,125 million shares, totaling Baht 425.0 million will be paid in May 2023. In this regard, the approval for the dividend shall be proposed to the Annual General Meeting of shareholders of the Company for the year 2023 for further consideration and approval.

### 38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2023.

# Attachment





**Attachment 1**

Details of directors, executives, controlling persons of the company, the person assigned to the highest responsibility in accounting and finance, the person assigned to be directly responsible for supervising accounting, the company secretary

**Board of Directors as of December 31, 2022****Education**

- 1981 - 1984 : BACHELOR OF ENGINEERING in Electrical Engineering, THE UNIVERSITY OF NEW SOUTH WALES, AUSTRALIA.
- 1978 - 1980 : Waverley College, Sydney, Australia.

**Training**

- Executive Program in Energy Literacy, Class 7 (Energy Academy 7), Thailand Energy Academy
- Director Certification Program (DCP) DCP212, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP 215/2016), Thai Institute of Directors Association (IOD)
- TEPCoT Course, Class 8, University of the Thai Chamber of Commerce
- ASEAN Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University (Sasin)
- Senior Executive Program (CMA), Class 12, Capital Market Academy
- National Defense Course for the Joint State-Private Sectors (Diploma, National Defense College) Class 22, National Defense College

**Work Experiences (5-years Past Experiences)**

- 2021 - Present Chairman of the Board of Directors / Independent Director / Chairman of the Audit Committee, Asian Alliance International Public Company Limited
- 2019 - 2021 Independent Director / Audit Committee, Asian Sea Corporation Public Company Limited
- 2017 - present Independent Director / Chairman of the Audit Committee, Krung Thai Bank Public Company Limited
- 2014 - Present Director, Panel Plus Co., Ltd.
- 2014 - Present Director, Panel Plus MDF Co., Ltd.
- 1995 - Present Director, Chiang Heng International Co., Ltd.
- 2014 - Present Vice President, Anti-Corruption Organization (Thailand)
- 2015 - Present Vice Chairman, Thai Chamber of Commerce
- 2014 - Present Director, University Council of the Thai Chamber of Commerce

**Board member / Management in Listed Company -**

**The Stock Exchange of Thailand:** 1 company which is

1. Independent Director / Chairman of the Audit Committee, Krung Thai Bank Public Company Limited

**Relation among Family with other Directors, Management, Major Shareholders of the Company, or Subsidiaries:** None



## Mr. Kasemsit Pathomsak

Age : 52 Years

Position : Independent Director / Member of the Audit Committee /  
Member of the Nomination and Remuneration Committee

Appointed : 24 May 2021

Shareholding (%) : 0.019%

### Education

- Owner / President Management - Harvard Business School, Harvard University
- Master's Degree in Finance, Bentley University, Massachusetts, USA
- Bachelor's Degree in Business Management, Northeastern University, Massachusetts, USA, December 1996

### Training

- Corporate Governance for Capital Market; Intermediaries Program 12/2016, Thai Institute of Directors Association (IOD) (2016)
- Audit Committee Program 32/2010, Thai Institute of Directors Association (IOD) (2010)
- Monitoring the System of Internal Control and Risk Management 9/2010, Thai Institute of Directors Association (IOD) (2010)
- Director Accreditation Program 48/2005, Thai Institute of Directors Association (IOD) (2005)
- Director Certification Program 175/2003, Thai Institute of Directors Association (IOD) (2003)
- Senior Executive Program (CMA Class 9), Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT), Class 7, Commerce Academy
- Management Science Program for Senior Executives (Eng. 3), National Institute of Development Administration
- Senior Executive Program Energy lecturer (Energy Academy 11), Thailand Energy Academy
- Tourism Management Course for Executives Class 1, Tourism Authority of Thailand
- High-level executive courses Urban Development Administration (Mahanakorn Class 1), Metropolitan Development College Navamindradhiraj University
- National Defense College, Class 63, National Defense College

### Work Experiences (5-years Past Experiences)

- Sep. 2022 - Present Director, Starr International Insurance (Thailand) Public Company Limited
- 2005 - Present Executive Chairman, Merchant Partners Securities Public Company Limited

- 2014 - Present Executive Chairman, Merchant Partners Asset Management Co., Ltd.
- Feb. 2013 - Present Independent Director, Chairman of the Audit and Corporate Governance Committee, Christiani & Nielsen (Thai) Public Company Limited
- 2018 - Present Director, WP Energy Public Company Limited
- 2016 - Present Director, National Power Supply Public Company Limited
- Dec. 2021 - Present Independent Director and Member of the Audit Committee, CMO Public Company Limited
- Oct. 2019 - Present Air Transport Policy and Strategy Subcommittee Civil Aviation Board Ministry of Transport
- Oct. 2021 - Present Executive Director Organizing Committee of APEC CEO Summit 2022
- 2013 - Present Director and Deputy Secretary General Chamber of Commerce of Thailand
- Oct. 2019 - 2021 Advisor to the Sub-Committee on Strategic Studies and Monitoring Commission on International Relations foreign affairs House of Representatives
- 2016 - 2018 Director and Audit Committee, Asia Aviation Public Company Limited
- 2010 - 2020 Director, UOB Kay Hian Securities (Thailand) Public Company Limited

### Board member / Management in Listed Company -

#### The Stock Exchange of Thailand: 4 companies which are

1. Director, Starr International Insurance (Thailand) Public Company Limited
2. Independent Director, Chairman of the Audit and Corporate Governance Committee, Christiani & Nielsen (Thai) Public Company Limited
3. Independent Director and Member of the Audit Committee, CMO Public Company Limited
4. Director, WP Energy Public Company Limited

**Relation among Family with other Directors, Management, Major Shareholders of the Company, or Subsidiaries:** None



## Lieutenant Sutthinan Hatthawong

Age : 62 Years

Position : Independent Director / Member of the Audit Committee /

Member of the Risk Management Committee /

Member of the Nomination and Remuneration Committee

Appointed : 24 May 2021

Shareholding (%) : 0.019%



### Education

- Master of Business Administration, Asian University of Science and Technology
- Bachelor of Science (Electrical Engineering), Naval Academy School

### Training

- The Transportation Working Group (TPTWG), Port Experts Group
- The Economic Value Management (EVM) Project
- The National Security Management for Senior Executives Course (Batch 3)
- The Ministry of Transport Management for Executives Course: Leadership Development Program: Excellent Leaders and Team for excellent outcome
- The future direction of the ASEAN Economic Community (AEC) and Logistics Development (Batch 1)
- The Thailand and the ASEAN Community Course (Batch 2)
- The Training course on "To become a CEO" (Batch 1)
- The Thailand National Defence Course (Batch 57), Thailand National Defence College
- The TOP Executive Program in Commerce and Trade : TEPCOT
- The Port Management and Harbour Organization Technique, Belgium
- The Seminar on Port Security, Belgium
- The Regional Seminar on Safe Packing Of CTUS, Republic of Korea
- The Port Management & Logistics, Slovenia
- Training Course on "Mega Port Initiative", the United States of America (U.S.A.)
- The International Seaport Interdiction Training, U.S.A.
- The World Ports Climate Conference 2008, the Netherlands
- The Establishing Infrastructure Fund, the United Kingdom
- The 38th Session of the Facilitation Committee, IMO Headquarters, London, the United Kingdom
- The Busan International Port Conference (BIPC) 2015, Republic of Korea

### Work Experiences (5-years Past Experiences)

- 2021 - Present Independent Director / Audit Committee / Risk Management Committee / Nomination and Remuneration Committee, Asian Alliance International Public Company Limited
- 2015 - 2017 Director, Port Authority of Thailand

### Board member / Management in Listed Company -

The Stock Exchange of Thailand: None

Relation among Family with other Directors, Management, Major Shareholders of the Company, or Subsidiaries: None



## Mr. Somsak Amornrattanachaikul

Age : 63 Years

Position : Director / Chairman of the Executive Committee

Appointed : 15 March 2011

Shareholding (%) : 2.463%

### Education

- Bachelor of Political Science, Ramkhamhaeng University

### Training

- Top Executive Program on China Business Insights and Network: TEPCIAN, Class 2 (2022)
- Role of Chairman Program Class 9/2003 , Thai Institute of Directors Association (IOD)

### Work Experiences (5-years Past Experiences)

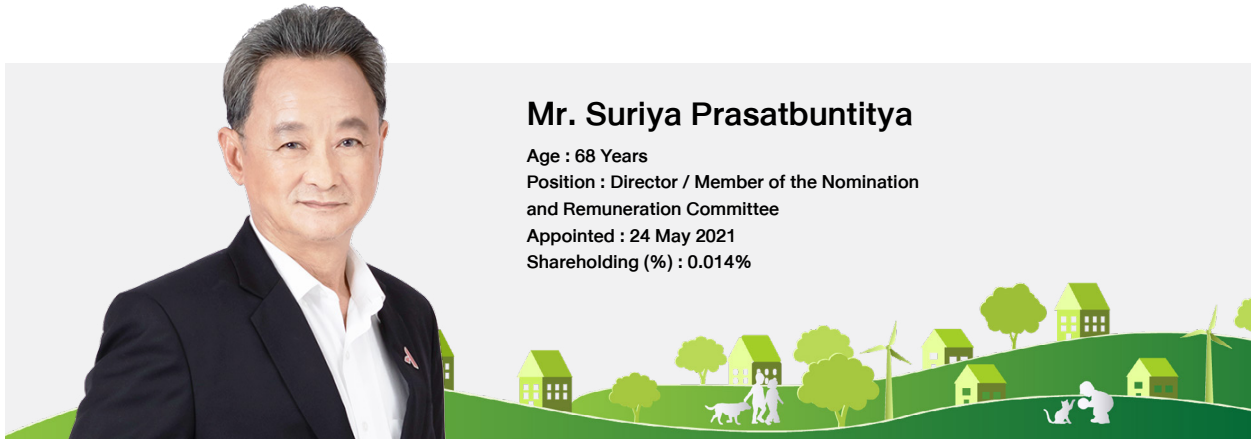
- 2021 – Present Chairman of the Executive Committee, Asian Alliance International Public Company Limited
- 2021 – Present Director, Asian Sea Corporation Public Company Limited
- 2005 – Present Director, Asian Alliance International Public Company Limited
- 2005 – 2021 Chairman of the Board of Directors, Asian Sea Corporation Public Company Limited
- 1999 – Present Chief Executive Officer, Asian Sea Corporation Public Company Limited
- 1993 – Present Director, Asian Sea Corporation Public Company Limited

### Board member / Management in Listed Company –

**The Stock Exchange of Thailand:** 1 company which is

1. Director / Chief Executive Officer, Asian Sea Corporation Public Company Limited

**Relation among Family with other Directors, Management, Major Shareholders of the Company, or Subsidiaries:** None



## Mr. Suriya Prasatbuntitya

Age : 68 Years

Position : Director / Member of the Nomination  
and Remuneration Committee

Appointed : 24 May 2021

Shareholding (%) : 0.014%

### Education

- Master of Development Administration in Public Administration, National Institute of Development Administration (NIDA)
- Bachelor of political science in government, Chulalongkorn University

- 2012 - 2015 Chiang Mai Governor / Tak Governor, Ministry of Interior
- 2007 - 2012 Deputy Governor of Samut Sakhon and Pathum Thani Provinces, Ministry of Interior
- 2004 - 2007 Director of Division and Office in Department of Disaster Prevention and Mitigation, Ministry of Interior

### Training

- Role of Chairman Program (RCP) Class 52/2022, Thai Institute of Directors Association (IOD)
- Director Leadership Certification Program (DLCP), Class 5/2022, Thai Institute of Directors Association (IOD)
- Professional Development: Risk Management and Internal Audit Program (23/07/2019), Thai Listed Companies Association (TLCA)
- IT Governance & Cyber Resilience (ITG 10/2019), Thai Institute of Directors Association (IOD)
- Risk Management Program for Corporate Leaders Class 14/2018, Thai Institute of Directors Association (IOD)
- Social Enterprise Course, Stock Exchange of Thailand
- Director Certificate Program, Class DCP 250/2017, Thai Institute of Directors Association (IOD)
- Risk Management and Internal Control Program, Thai Listed Companies Association (TLCA)

### Board member / Management in Listed Company -

**The Stock Exchange of Thailand:** 1 company which is

1. Chairman of the Board, Asian Sea Corporation Public Company Limited

**Relation among Family with other Directors, Management, Major Shareholders of the Company, or Subsidiaries:** None

### Work Experiences (5-years Past Experiences)

- 2021 - Present Director / Member of the Nomination and Remuneration Committee, Asian Alliance International Public Company Limited
- 2021 - Present Chairman of the Board of Directors / Executive Director / Chairman of the Credit and Debt Collection Committee / Chairman of the Risk Management Committee / Chairman of the Corporate Governance and Sustainability Management Committee / Nomination and Remuneration Committee, Asian Sea Corporation Public Company Limited
- 2016 - Present Director / Executive Vice President, Asian Sea Corporation Public Company Limited



## Ms. Prapa Puranachote

Age : 68 Years  
Position : Director / Chairman of the Nomination  
and Remuneration Committee  
Appointed : 24 May 2021  
Shareholding (%) : 0.024%

### Education

- Master of Business Administration,  
National Institute of Development Administration (NIDA)
- Bachelor of Journalism, Thammasat University

### Training

- Senior Executive Program in Urban Leadership  
Development (Class 5), Navamindradhiraj University
- Science Management Program for Senior Executives  
(SSE 2), National Institute of Development  
Administration (NIDA)
- Global Business Leader Program (GBL),  
Lead Business Institute.
- Corporate Governance for Capital Market Intermediaries  
(CGI) class 14/2016, Thai Institute of Directors (IOD)
- Public Economic Management Program for Senior  
Executives class 7 (CPE 7), King Prajadhipok's Institute.
- Director Certificate Program class DCP 148/2011,  
Thai Institute of Directors (IOD).
- Senior Executive Program class 14 (SCM 14),  
Capital Market Academy, The Stock Exchange of Thailand.
- Senior Executive Program "Thammasat Leadership  
Program" class 2 (ETU 2), Alumni Relations Office,  
Thammasat University.
- Senior Executive Program in Energy Science class 6  
(ESE 6), Institute of Energy Science.

- 2011 – 2019  
Director / Executive Director  
Risk Management Committee /  
Good Corporate Governance  
Committee / Managing Director, MFC  
Asset Management Public Company  
Limited
- 2015 – 2018  
Independent Director /  
Audit Committee, RATCH Group  
Public Company Limited
- 2004 – 2011  
Deputy Managing Director /Executive  
Officer Provident Fund Division,  
Krung Thai Asset Management Public  
Company Limited

### Board member / Management in Listed Company –

**The Stock Exchange of Thailand:** 1 company which is

1. Director, Asian Sea Corporation Public Company Limited

**Relation among Family with other Directors, Management,  
Major Shareholders of the Company, or Subsidiaries:** None

### Work Experiences (5-years Past Experiences)

- 2021 – Present  
Director / Chairman of the Nomination  
and Remuneration Committee,  
Asian Alliance International Public  
Company Limited.
- 2022 – Present  
Honorary Director Finance and  
Banking, Special Investigation  
Committee, Department of Special  
Investigation Ministry of justice.
- 2020 – Present  
Director / Executive Director /  
Chairman of the Nomination and  
Remuneration Committee /  
Corporate Governance Advisor,  
Asian Sea Corporation Public  
Company Limited





## Mr. Hendrikus Van Westendorp

Age : 58 Years

Position : Director / Executive Committee

Appointed : 24 May 2021

Shareholding (%) : 0.024%



### Education

- Senior Executive Program Harvard Business School - Tsing Hua - CEIBS
- Commercial Technical Program Nijenrode Business University, Breukelen
- BSc Mechanical Engineering, Amsterdam

### Training

- Director Certification Program (DCP) Class 326/2022 (English Program), Thai Institute of Directors Association (IOD)

### Work Experiences (5-years Past Experiences)

- 2021 - Present Director / Executive Committee, Asian Alliance International Public Company Limited
- 2021 - Present Executive Committee / Strategic Planning Consultant, Asian Sea Corporation Public Company Limited
- 2019 - 2021 Director, Asian Sea Corporation Public Company Limited
- 2015 - 2020 Executive Vice President / Chief Financial Officer / Executive Committee, Asian Sea Corporation Public Company Limited
- 2011 - 2015 Chief Financial Officer, Nutreco Asia
- 2009 - 2011 Managing Director Skretting Asia, Shanghai, China, Nutreco Asia
- 2005 - 2009 Managing Director Skretting Japan, Fukuoka, Nutreco Asia
- 2002 - 2005 Projects Director Europe Marine Harvest Europe, Amersfoort, Netherlands, Nutreco
- 2000 - 2001 Post - Merger Integration Manager Marine Harvest Europe, Bergen, Norway, Nutreco1

### Board member / Management in Listed Company -

The Stock Exchange of Thailand: None

Relation among Family with other Directors, Management, Major Shareholders of the Company, or Subsidiaries: None



## Mr. Aekarat Punnasung

Age : 52 Years

Position : Director / Member of the Executive Committee /

Chairman of the Risk Management Committee / Chairman of the Corporate

Governance and Sustainability Management Committee /

Chairman of the Credit Committee / Managing Director

Appointed : 1 April 2018

Shareholding (%) : 0.024%

### Education

- Master of Science in International Marketing, Newcastle University, United Kingdom.
- Bachelor Degree in Agricultural Economics, Kasetsart University.

### Training

- Insight in SET : Knowledge for Growth and Sustainability in the Capital Market Class 1, The Stock Exchange of Thailand
- TTB Digital LEAN Supply Chain Class 17/2022, TMB Thanachart Bank Public Company Limited
- Director Leadership Certification Program Class DLCP 5/2022, Thai Institute of Directors Association (IOD)
- Director Certificate Program, Class DCP 150/2011, Thai Institute of Directors Association (IOD)

### Work Experiences (5-years Past Experiences)

- 2021 - Present      Member of the Executive Committee / Chairman of the Risk Management Committee / Chairman of the Corporate Governance and Sustainability Management Committee / Chairman of the Credit Committee, Asian Alliance International Public Company Limited
- 2018 - Present      Managing Director, Asian Alliance International Public Company Limited
- 2007 - Present      Director, Asian Alliance International Public Company Limited

- 2009 - 2010

Assistant Managing Director, Asian Alliance International Public Company Limited

- Present

Executive Committee / Credit and Debt Collection Committee / Corporate Governance and Sustainability Management Committee, Asian Sea Corporation Public Company Limited

- 2008 - 2021

Director, Asian Sea Corporation Public Company Limited

- 2015 - 2018

Managing Director, Asian Sea Corporation Public Company Limited

- 2012 - 2014

Executive Vice President, Asian Sea Corporation Public Company Limited

- 2010 - 2012

Assistant Managing Director, Marketing Department, Asian Sea Corporation Public Company Limited

- 2004 - 2011

Assistant Managing Director, Asian Seafoods Coldstorage (Suratthani) Co. Ltd.

**Board member / Management in Listed Company - The Stock Exchange of Thailand: None**

**Relation among Family with other Directors, Management, Major Shareholders of the Company, or Subsidiaries: None**



## Executive Management as of December 31, 2022



### Ms. Varanratch Assanupong

Age : 47 Years

Position : Executive Committee / Chief Financial Officer / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Member of the Credit Committee / Person assigned highest responsibility in accounting and finance / Company Secretary

Appointed : 24 May 2021

Shareholding (%) : 0.019%



#### Education

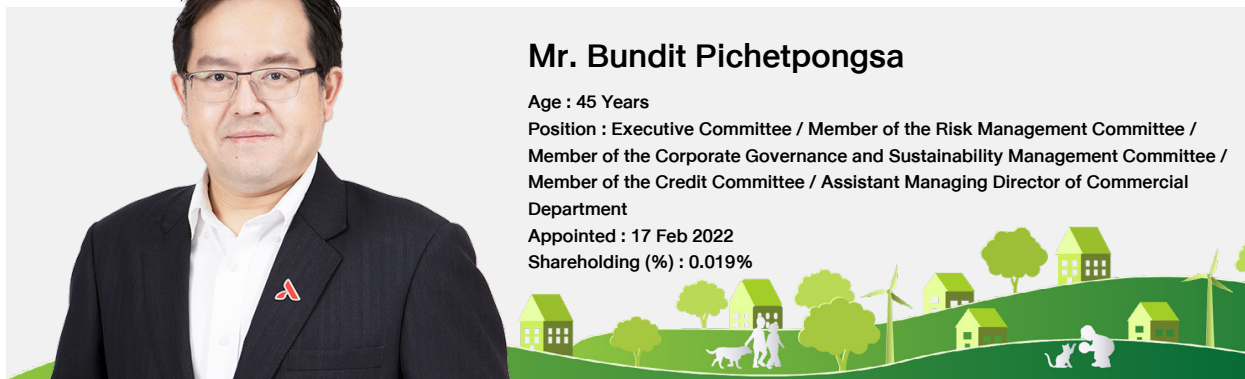
- Master of Business Administration (Finance), New York Institute of Technology (NYIT), USA
- Bachelor of Business Administration (Finance), Kasetsart University

#### Training

- TFRS Course 2013, NYC Management Co., Ltd.
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 3/2022, PDPA for Accounting and Finance, Thai Listed Companies Association
- Director Certification Program (DCP), Class 320/2022, Thai Institute of Directors Association (IOD)
- Company Secretary Program (CSP), Class 127/2022, Thai Institute of Directors Association (IOD)
- CFO's Orientation Course for New IPOs, Class 5, 2021, Stock Exchange of Thailand
- GRI Certified Training Course based on the GRI Sustainability Reporting Standards, 2021, Thaipat Institute
- Foundations in Responsible Investment, 2021, PRI Academy
- Sustainability and Climate Risk, 2021, Global Association of Risk Professionals (GARP)
- How to Develop Risk Management Plan (HRP), Class HRP 19/2018, Thai Institute of Directors Association (IOD)
- Business Strategy for IR course, Stock Exchange of Thailand
- IR Professional Development Program, Thai Listed Companies Association
- Fundraising course to increase sustainable business value with capital market tools, The Stock Exchange of Thailand
- Role of Company Secretary Course, Stock Exchange of Thailand

#### Work Experiences (5-years Past Experiences)

- 2021 - Present Executive Committee / Chief Financial Officer / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Member of the Credit Committee / Person assigned highest responsibility in accounting and finance / Company Secretary, Asian Alliance International Public Company Limited
- 2018 - Present Risk Management Committee / Corporate Governance and Sustainability Management Committee, Asian Sea Corporation Public Company Limited
- 2017 - 2021 Finance and Investor Relations Manager, Asian Sea Corporation Public Company Limited
- 2014 - 2017 Company Secretary and Finance Manager, Asian Sea Corporation Public Company Limited



#### Education

- Master of Business Administration, University of South Australia, Australia
- Bachelor in Food Science and Technology, Thammasat University

#### Training

- Corporate Governance for Executives CGE, Class 19/2022, April 2022, Thai Institute of Directors Association (IOD)
- How to Develop Risk Management Plan (HRP), Class HRP 19/2018, Thai Institute of Directors Association (IOD)
- Course BRC Food Issue 8 Requirement and Implementation with Integrated Audit Technique and Shadow Audit Training Course 2019, System Development Consultant Co.,Ltd.
- Internal Audit GMP/HACCP for Food Industrial and Food Safety Audit Technique 2019, BSI Group
- Implementation GMP/HACCP for Food Industrial 2019, BSI Group
- Hazard Analysis and Critical Control Points Training Course 2015, Bureau Veritas
- Course Requirement for Global Standard for Food Safety I.7 & Internal Quality Audit 2015, System Development Consultant Co.,Ltd.

#### Work Experiences (5-years Past Experiences)

- 2021 – Present Executive Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Member of the Credit Committee, Asian Alliance International Public Company Limited
- 2013 – Present Assistant Managing Director of Commercial Department, Asian Alliance International Public Company Limited



## Mrs. Sasiyada Wilaiphol

Age : 50 Years

Position : Member of the Executive Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Assistant Managing Director of Operations

Appointed : 17 February 2022

Shareholding (%) : 0.009%

### Education

- Bachelor of Food Technology, Ramkhamhaeng University

### Training

- Risk Management Program for Corporate Leaders (RCL), Class 27/2022, Thai Institute of Directors Association (IOD)
- Corporate Governance for Executives CGE, Class 19/2022, April 2022, Thai Institute of Directors Association (IOD)
- BRC Food Issue 8 Requirement and Implementation with Integrated Audit Technique and Shadow Audit Training Course 2019, System Development Consultant Co.,Ltd
- FSPCA Preventive Controls for Human Food 2017, System Development Consultant Co.,Ltd
- FSPCA Preventive Controls for Animal Food 2017, System Development Consultant Co.,Ltd
- FACTORY MANAGER, Aug 2017, Factory Manager Course, The Federation of Thai Industries
- Interetaion of MSC Version 4.0 Requirements Training Course 2016, Bureau Veritas
- Related Laws and Basic Principles of Food Production in Sealed Containers B.E. 2015, King Mongkut's University of Technology Thonburi.
- ISO/FSSC 22000 & IFS Food V.6 Training Course 2015, System Development Consultant Co.,Ltd
- MINI FOOD ENGINEERING PROGRAM, Aug 2015, King Mongkut's University of Technology Thonburi (KMUTT)

- MINI MASTER OF BUSINESS ADMINISTRATION: MINI MBA, May 2010, NIDA Business School
- THE MANAGERIAL GRID SEMINAR, Jul 2004, Grid International Inc., U.S.A. and Grid Organization Development and Change Management, Thailand
- MANAGEMENT PSYCHOLOGY, Aug 2003, Organized by Technology Promotion Association (Thailand-Japan)
- THERMAL PROCESSING PRINCIPLES AND PRACTICES AS APPLIED TO LOW ACID AND ACIDIFIED FOODS IN CLOSED CONTAINERS, May 2002, Food Science Department, School of Agriculture West Lafayette, INDIANA, Purdue University
- BETTER PROCESS CONTROL SCHOOL, May 2002, Food Science Department, School of Agriculture West Lafayette, INDIANA, Purdue University

### Work Experiences (5-years Past Experiences)

- 2021 - Present Executive Committee / Risk Management Committee / Corporate Governance and Sustainability Management Committee, Asian Alliance International Public Company Limited
- 2014 - Present Assistant Managing Director of Operations, Asian Alliance International Public Company Limited.



## Mrs. Ajara Mhordee

Age : 65 Years

Position : Member of the Executive Committee / Member of the Credit Committee / Senior Marketing Manager

Appointed : 17 Feb 2022

Shareholding (%) : None

### Education

- Master's Degree in Marine Science, Chulalongkorn University
- Bachelor's Degree in Marine Science, Chulalongkorn University

### Training

- BRC (British Retail Consortium) Global standard food, Issue No.7
- Auditor Training Course / BVQI
- ISO 14001:2004 Internal Audit course
- FDA seafood sensory training course
- Course GMP&HACCP Codex Alimentarius Requirements / NQAC.S

### Work Experiences (5-years Past Experiences)

- 2021 – Present      Member of the Executive Committee / Member of the Credit Committee, Asian Alliance International Public Company Limited
- 2014 – Present      Senior Marketing Manager, Asian Alliance International Public Company Limited





## Mrs. Narumon Jongjaroen

Age : 41 Years

Position : Accounting Manager / Person assigned to be directly responsible for supervising accounting

Appointed : 24 May 2021

Shareholding (%) : 0.003%

### Education

- Bachelor of Accounting,  
Sukhothai Thammathirat Open University

### Training

- Industrial Cost Accounting System, Class 2/65,  
Federation of Accounting Professions in the  
Royal Patronage  
(training course 12 hours)
- How to Transform to Digital Accounting Step into Digital  
Accounting Class 2/65, Federation of Accounting  
Professions in the Royal Patronage  
(training course 6 hours)
- TFRS Update Program 2022, Faculty of Commerce and  
Accountancy Alumni Association of Chulalongkorn  
University (Training course 7 hours)
- Courses attended by EY Office Limited in 2021 include:
  - UPDATE TFRSs for PAEs and TFRS for NPAs used and  
changes in 2021 (training course 7.00 hours)
  - Financial Reporting Trends 2021  
(1.30 hour training course)
  - Finance Transformation Consolidation and Reporting  
using LucaNet (1.30 hour training course)

- Digital Assets from the Accounting and Tax  
Perspectives (1.30 hour training course)
- Sustainability ESG and Company's Reporting  
(organizational sustainability concept and information  
preparation for reporting)  
(Training course 1.30 hours)
- Risk analysis course that will be examined on Transfer  
Pricing (1.30 hour training course)
- Tax Consideration for Outbound Investment Keep pace  
with and adapt to international tax measures in line with  
BEPS 2.0. for proper foreign investment structuring  
(Training course 1.30 hours)

### Work Experiences (5-years Past Experiences)

- 2021 - Present      Accounting Manager /  
Accounting Manager /  
Person assigned to be directly  
responsible for supervising  
accounting, Asian Alliance  
International Public Company Limited
- 2006 - 2021      Accounting Manager,  
Asian Sea Corporation Public  
Company Limited



## Mr. Akamon Prasoppolsujarit

Age : 55 Years

Position : Member of the Executive Committee

Appointed : 17 Feb 2022

Shareholding (%) : None

### Education

- Master of Accounting and Finance, Chulalongkorn University.

### Training

- Successful Formulation & Execution of Strategy (SFE), Class 39, Thai Institute of Directors Association (IOD)
- TLCA CFO CPD No. 8/2022, Topic "ESG Bonds in Corporate Financing", Thai Listed Companies Association
- TLCA CFO CPD No. 7/2022, Topic "Introduction to Sustainable Finance", Thai Listed Companies Association
- TLCA CFO CPD No. 6/2022, Topic "CFO's Role in Corporate Sustainability", Thai Listed Companies Association
- TLCA CFO CPD No. 3/2022, topic "PDPA for Accounting and Finance", Thai Listed Companies Association
- TLCA CFO CPD No. 2/2022, "Economic Update for CFO", Thai Listed Companies Association
- Strategic CFO in Capital Market Class 7, Stock Exchange of Thailand
- Director Certification Program (DCP) Year 2009, Thai Institute of Directors Association
- CFO Refresher class 2/2021, Stock Exchange of Thailand
- Key Points and Notes on TFRS for PAEs Requirement and Amendments in 2021, Stock Exchange of Thailand

### Work Experiences (5-years Past Experiences)

- Present Member of the Executive Committee, Asian Alliance International Public Company Limited
- 2020 – Present Chief Financial Officer / Member of the Executive Committee / Member of the Credit and Debt Collection Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee, Asian Sea Corporation Public Company Limited
- 2017 – 2018 Director, Dusit Management Company Limited
- 2017 – 2018 Director, Dusit Overseas Co., Ltd.
- 2017 – 2018 Supervisor, Dusit Fudu Hotel Management (Shanghai) Co., Ltd.
- 2016 – 2018 Chief Financial Officer – Special Project  
Acting Chief Financial Officer, Dusit Thani Plc.



## Ms. Benjaporn Pongsiri

Age : 49 Years

Position : Member of the Executive Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Research and Product Development Manager

Appointed : 17 Feb 2022

Shareholding (%) : 0.022%



### Education

- Bachelor of Science and food technology, Suan Sunandha Rajabhat University

### Training

- Chula Mini MBA @ Chachoengsao class 2, Chulalongkorn University
- Implementation GMP/HACCP for Food Industrial / BSI Training Academy
- Principle of Production and Sterilization of Hermetic Food / National Food Institute
- Principle of Production and Sterilization of Flexible Packaging / National Food Institute
- Psychology Management / Asia Training Center Co., Ltd.
- International Featured Standard : IFS Version 6 / Q Compact Co., Ltd.
- Better Process Control School / Louisiana State University
- Thermal Process (LACF) Deviation / National Food Institute
- FSPCA Preventive Controls for Human food (PCQI) / IFSH, International Food Protection Training Institute, Association of Food and Drug Officials
- FSPCA Preventive Controls for Animal food (PCQI) / IFSH, International Food Protection Training Institute, Association of Food and Drug Officials
- Implementation of BRC Global Standard for Food Safety Issue 8 / System Development Consultant Co., Ltd.
- BRC Food Issue 8 Requirement and Implementation with Integrated Audit Technique @ Shadow Audit / System Development Consultant Co., Ltd.
- Food Defense Guideline Training Course / System Development Consultant Co., Ltd.
- ISO/FSSC 22000, BRC Food I.6 & IFS Food V.6 Requirements / System Development Consultant Co., Ltd.
- Safety officers at the management level / Safety and Training Center Co., Ltd.
- Key Performance Indicators (KPI) / TUV SUD (Thailand) Limited
- Social Compliance Responsibility Training (4 Pillar) / BSI Training Academy.

### Work Experiences (5-years Past Experiences)

- Present Member of the Executive Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Research and Product Development Manager, Asian Alliance International Public Company Limited
- 2009 - Present Research and Product Development Manager, Asian Alliance International Public Company Limited



## Ms. Somsri Maneechay

Age : 52 Years

Position : Member of the Executive Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Quality Management Manager

Appointed : 17 Feb 2022

Shareholding (%) : 0.006%

### Education

- Master's Degree Faculty of Business Administration General Business Administration, Chiang Mai University
- Bachelor's Degree Faculty of Agriculture, Fisheries Branch, Rajamangala Institute of Technology Bang Phra Campus, Chonburi

### Training

- Factory Management Course : The Federation of Thai Industries
- Shelf-life Testing Technique : Food Science and Technology Association of Thailand
- Thailand GMP & HACCP International Audit : SGS Group
- ISO/IEC 17025-2005 : National Food Institute (NFI)
- ISO/9000/GMP/HACCP for industrial plants : Technology Promotion Association (Thailand-Japan)
- Introduction Can Screening Theory and Operation : British Columbia Institute of Technology (BCIT)
- Sanitation Control Procedure for Food Processors : International Association of Food and Beverage officials (IAFBO)
- Canned Seafood Sensory Evaluation Short Course : University of California
- Thermal Processing and Container Evaluation : National Food Institute (NFI)
- Risk Analysis in Food Industry : National Food Institute (NFI)
- Food Defense Guideline Training Course : System Development Consultant Co., Ltd.
- Hazard Analysis and Critical Control Points : Bureau Veritas
- Guideline for HACCP Documentation : SGS Group
- BRC Issue 7 Internal Audit : TUV SUD (Thailand) Ltd.
- Global Standard for Food Safety I7 and Internal Quality Audit : System Development Consultant Co., Ltd.
- Professional Pest Management : Thai Professional Pest Management Association
- ISO/FSSC 22000 & IFS Food V.6 : System Development Consultant Co., Ltd.
- Interpretation of MSC version 4.0 Requirements : Bureau Veritas
- Requirement and Interpretation for GMP+ (Feed and Feed Ingredient) : SGS Group
- Internal Audit for GMP+ Technique (Feed and Feed Ingredient) : SGS Group
- Threat Assessment Critical Control. Points (TACCP) : National Food Institute (NFI)

- FSPCA Preventive Controls for Human Food (PCQI) : International Food Protection Training Institute (IFPTI)
- FSPCA Preventive Controls for Animal Food (PCQI) : International Food Protection Training Institute (IFPTI)
- Extend shelf-life Technology : National Food Institute (NFI)
- Implementation of BRC Global Standard for Food Safety Issue 8 : System Development Consultant Co., Ltd.
- Implementation GMP/HACCP for food Industrial : BSI Group
- Basic Integrated Pest Management for food plants : AIB International
- Food Defense Awareness : International Food Protection Training Institute (IFPTI)
- Code of Conduct for UK Client Awareness : Intertek
- Pet food Nutrition Workshop – PIA Technical Forum 2019 : Pet food Industry Association (PIA)
- Internal Audit GMP/HACCP for Food Industrial and Food Safety Audit Technique : BSI Group
- Implementation GMP/HACCP for Food Industrial : BSI Group
- Key Performance Indicators (KPI) : TUV SUD (Thailand) Ltd.
- Halal certification standards for SMEs and community enterprises : The Central Islamic Council of Thailand
- Halal Food and Industrial Practices : The Central Islamic Council of Thailand
- Water & Wastewater treatment in food industries : Food Science and Technology Association of Thailand
- IFS Awareness & Interpretation V.4 : SGS Group
- Food Safety Culture Implement and Documentation : BSI Group
- Social Compliance Responsibility (4 Pillar) : BSI Group
- Personal Data Protection Act (PDPA) and Practical Application of Organization : Excellent Quality

### Work Experiences (5-years Past Experiences)

- 2022 – Present      Member of the Executive Committee / Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee, Asian Alliance International Public Company Limited
- 2015 – Present      Quality Management Manager, Asian Alliance International Public Company Limited



## Ms. Wijitra Thiangtham

Age : 46 Years

Position : Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee / Human Resources Manager

Appointed : 17 Feb 2022

Shareholding (%) : 0.005%



### Education

- Bachelor's Degree in General Management, Nakhon Pathom Rajabhat University

### Training

- Internal auditors TLS 8001-2010 (TLS8001 Internal Audit)
- Safety Officer Management Level
- Labor Law and Personnel Management (Labor Law for HR)
- Enterprise Risk Management
- GMP/HACCP for Food Industry
- GMP/HACCP for Food Industrial and Food Safety Audit Technique
- Requirements and internal audits according to BRC Food Issue 8 (BRC Food Issue 8 Requirement and Implementation).
- Code of Conduct for UK Clients (4 Pillar)
- Human resource management in line with the Personal Protection Act (PDPA).
- Personal Data Protection Act (PDPA) and its application in the organization
- How to comply with social responsibility requirements (Social Compliance Responsibility Training) (4 Pillar)

- Job evaluation and compensation management in line with current situations (Job Evaluation).
- Building a food safety culture in the organization Food Safety Culture Implement and Documentation
- Succession Planning is not difficult (Succession Planning).
- Preparation of environmental management system ISO 14001:2015 (ISO14001:2015 Requirement)
- SEDEX (Health and Safety) audit techniques

### Work Experiences (5-years Past Experiences)

- Present                      Member of the Risk Management Committee / Member of the Corporate Governance and Sustainability Management Committee, Asian Alliance International Public Company Limited
- 2018 - Present              Human Resources Manager, Asian Alliance International Public Company Limited
- 2014 - 2018                  Personnel Manager, Nanyang Garment Co., Ltd.



## Mr. Thawatwong Arunthong

Age : 39 Years

Position : Member of the Executive Committee / Member of the Corporate Governance and Sustainability Management Committee / Purchasing Department Manager

Appointed : 17 Feb 2022

Shareholding (%) : 0.024%

### Education

- Master of International Business Administration, Deakin University, Melbourne, Australia
- Bachelor of Business Administration, Bangkok University

### Training

- Food Safety Culture Implement and Documentation
- GMP/HACCP internal audits for the food industry and food safety inspection techniques.
- Corporate Social Responsibility Training (4 Pillars)
- Applying GMP/HACCP to the food industry.
- BRC Food issue 8
- Personal Data Protection Act (PDPA) and its application in the organization
- Promoting industrial factories to have social responsibility and sustainable co-existence with the community.
- Preparing course for dealing with Thai customs to inspect business establishments.
- Safety officers at the management level

### Work Experiences (5-years Past Experiences)

- Present Member of the Executive Committee / Member of the Corporate Governance and Sustainability Management Committee, Asian Alliance International Public Company Limited
- 2016 – Present Purchasing Department Manager, Asian Alliance International Public Company Limited





## Mr. Santi Vilaiphol

Age : 49 Years

Position : Member of the Risk Management Committee /

Member of the Corporate Governance and Sustainability Management Committee /  
Utility Engineer Department Manager

Appointed : 17 February 2022

Shareholding (%) : 0.005%



### Education

- Bachelor of Industrial Technology, Production Technology, King Mongkut's Institute of Technology North Bangkok

### Training

- Internal Audit GMP/HACCP for Food Industrial and Food Safety Audit Technique course, BSI Training Academy
- Implementation GMP/HACCP for Food Industrial, BSI Training Academy
- Social Compliance Responsibility Training (4 Pillar), BSI Training Academy
- Course BRC Food Issue 8 Requirement and Implementation, System Development Consultant co., Ltd.

- Safety officer course in management level, Safety and Training Center Co., Ltd.
- Environmental Manager Program, Class 57, Thai Environment Institute Foundation
- Retort Supervisors for food production in hermetically sealed containers, low acid type and acid adjusted type (Retort Supervisors) 222/2016, King Mongkut's University of Technology Thonburi

### Work Experiences (5-years Past Experiences)

- 2022 - Present: Member of Risk Management committee / Member of the Corporate Governance and Sustainability Management, Asian Alliance International Public Company Limited
- 2015 - Present: Utility Engineer Department Manager, Asian Alliance International Public Company Limited



## Attachment 2

### Details of Directors and Subsidiaries

#### Directors of all 2 subsidiaries

Directors Name	Subsidiaries	
	APCC	THAIYA
1. Mr. Somsak Amornrattanachaikul	/ , //	
2. Mr. Somchai Amornrattanachaikul	/ , //	/
3. Mr. Lin Shengxin		///

Note:

- /// = Supervisor ( China ) / Managing Director
- // = Director
- / = Legal Representative ( China ) / Authorized Director

- APCC = Asian Pets Care Corporation Co., Ltd.
- THAIYA = Thaiya Corporation (Shanghai) Co., Ltd.

**Attachment 3****Detail of Head of Internal Audit****Head of Internal Audit****Mr. Wattichai Toaudta**

Age : 36 Years

Position : Internal Audit Department Manager / Secretary of the Audit Committee

Appointed : 4 August 2022

Shareholding (%) : None

**Education**

- Master's degree : Faculty of Economics (Finance and Banking) Ramkhamhaeng University
- Bachelor's degree: Faculty of Economics (Finance and Banking) Ramkhamhaeng University

**Professional qualifications**

- CIA : (Certified Internal Auditor)
- IACP : (Internal Auditing Certificate Program)

**Training**

- Internal Audit Operations IT AUDIT : Federation of Accounting Professions
- Fraud Risk Management: Institute of Internal Auditors Thailand.
- Internal Control according to COSO 2013 Guidelines: Institute of Internal Auditors Thailand.
- Risk management according to COSO ERM guidelines: Institute of Internal Auditors Thailand.
- 85 corruption behavior in the organization. with methods of prevention and management: Dharmniti Seminar and Training Company Limited
- Fraud Risk Management in Practice : Federation of Accounting Professions
- Techniques for reviewing business contracts. Executive Edition : Dharmniti Seminar and Training Company Limited
- Internal Energy Management Auditor Course : Ministry of Energy
- Audit Report Writing: Institute of Internal Auditors Thailand.
- Tools and techniques for the beginning: Institute of Internal Auditors Thailand.

**Work Experiences (5-years Past Experiences)**

- 2022 - current: Internal Audit Department Manager, Asian Alliance International Public Company Limited
- 2016 - 2022 : Internal Audit Section Manager, Premier Fission Capital Company Limited
- 2012 - 2016 : Deputy Section Manager, Modernform Group Public Company Limited
- 2007 - 2012 : Internal Audit Officer, Thitikorn Public Company Limited



## Attachment 4

### Business Assets and Details on Asset Valuation

In the fiscal year 2022, the company and its subsidiaries have not appraised or re-value their assets.





**Asian Alliance International Public Company Limited**

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