

(Translation)

August 9<sup>th</sup>, 2023

AAI 010-2023

**Subject:** Notification of the resolution of the Board of Directors' Meeting regarding the interim dividend payment, the amendment of the purpose of utilizing proceeds from the initial public offering of ordinary shares (IPO), the financial assistance to Asian Sea Corporation Public Company and the schedule of the Extraordinary General Meeting of Shareholders No. 1/2023

**Attention:** The President  
The Stock Exchange of Thailand

**Attachment :**

1. Details of the amendment to the purpose of utilizing proceeds from the initial public offering (IPO).
2. Information Memorandum on the Connected Transactions of Asian Alliance International Public Company Limited.

Asian Alliance International Public Company Limited (the "Company") would like to notify the significant resolutions of the Board of Directors' Meeting No.4/2023, which was held on 9<sup>th</sup> August 2023, as follows:

1. Resolved to pay interim dividends for the operating results from January 1, 2023 to June 30, 2023 from retained earnings at the rate of 0.0500 baht per share, paid from the businesses exempted from corporate income tax (BOI) at the rate of 0.0393 baht and paid from the businesses that are not exempted from corporate income tax (Non-BOI) at the rate of 0.0107 baht. The dividend payment is scheduled on September 08, 2023. The Board of Directors resolved to determine the list of shareholders who are entitled to receive dividends (Record Date) on August 25, 2023
2. Resolved to amend the purpose of utilizing proceeds from the initial public offering (IPO). **The details are as attached in attachment 1.**
3. Resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2023 to consider and approve the extension of financial assistance to Asian Sea Corporation Public Company Limited ("ASIAN") for an amount not exceeding an additional 500 million baht, totaling not more than 1,000 million baht, for a period of not more than 3 years ending April 19, 2026 in the form of a loan agreement or any debt instrument, which is a connected transaction.

The details are as follows:

Lender	The Company
Borrower	ASIAN
Type of loan	Loans or all legal debt instruments
Outstanding credit line	
Credit line	500,000,000 Baht
Approval date	The Annual General Meeting of Shareholders for the year 2023 held on 20 April 2023

Withdrawal period	By 19 April 2026
Additional credit line	500,000,000 Baht
(to entering the transaction)	Total amount of 1,000,000,000 Baht
Approval date	To be proposed to the Extraordinary General Meeting of Shareholders No. 1/2023 on 28 September 2023 for consideration
Withdrawal period	By 19 April 2026
<b><u>Conditions</u></b>	
Interest rate	Equivalent to 1-month bonds with BBB credit rating level from THAIBMA on 2 August 2023 at 3.78 per cent per year calculated based on 365 days per year which ASIAN's credit rating is currently at BBB level. In the event that ASIAN's credit rating has changed the interest rate will refer to the interest rate or yield according to the 1-month bonds of new credit rating level of THAIBMA.
Determination of interest rate	The interest rate that occurs in each month will be calculated equal to the yield on the first business day of that month according to 1-month bonds from THAIBMA by ASIAN's credit rating level.
Interest Payment	Pay interest on the last business day of the month
ASIAN's credit rating at present	BBB level, conducted a credit rating assessment by TRIS Rating Company Limited No. 22/2023 on 28 February 2023.
Principle repayment	At call
Collateral	None

Such grant of financial assistance is considered a connected transaction under the Connected Transaction Notifications as such assistance would be granted to ASIAN, the Company's connected person. The value of the transaction was 12.12 per cent of the Company's NTA according to its consolidated financial statements as of 30 June 2023, which was 4,522.62 million Baht.

Since the value of such transaction was more than 3 per cent of the Company's NTA, the Company was required to undertake the following actions in connection with the grant of up to 500,000,000 Baht revolving financial assistance transaction:

- (a) Disclose information on the Company's connected transaction to the SET in accordance with the Connected Transaction Notifications
- (b) Obtain approval for entering into the Company's connected transaction from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such meeting to the shareholders at least 14 days in advance.
- (c) Appoint an independent financial advisor to provide an opinion on the Company's connected transaction and deliver such opinion to the SEC Office and the SET.

In this regard, the Company has a transaction that occurred during the past 6 months prior to the date of entering into this transaction which is caused by the connected person, ASIAN. Such transaction has been approved by the shareholders' meeting. Therefore, it does not include the size of the transaction.

Details of financial assistance in the form of a revolving credit limit of not more than 500,000,000 baht. **Refer to the documents, Information**

**Memorandum on the Connected Transaction of Asian Alliance International Public Company Limited**

4. Resolved to appoint CL Advisory Limited, a financial advisor on the list approved by the SEC Office, as the independent financial advisor to provide its opinion on the connected transaction according to clause 3 above.
  
5. Resolved to extend the amount of financial assistance received from Asian Corporation Public Company Limited (“ASIAN”) for an amount not exceeding an additional 500 million baht, totaling not more than 1,000 million baht, for a period of not more than 3 years ending February 28, 2023 in the form of a loan agreement or any debt instrument, which is a connected transaction.

The details are as follows:

Lender	ASIAN
Borrower	The Company
Type of loan	Loans or all legal debt instruments
Outstanding credit line	
Credit line	500,000,000 Baht
Approval date	The Board of Directors’ Meeting No. 2/2023 held on 1 March 2023
Withdrawal period	By 28 February 2026
Additional credit line	500,000,000 Baht
(to entering the transaction)	Total amount of 1,000,000,000 Baht
Approval date	The Board of Directors’ Meeting No. 4/2023 held on 9 August 2023
Withdrawal period	By 28 February 2026
<b><u>Conditions</u></b>	
Interest rate	Equivalent to 1-month bonds with BBB credit rating level from THAIBMA on 2 August 2023 at 3.78 per cent per year calculated based on 365 days per year which ASIAN’s credit rating is currently at BBB level. In the event that ASIAN’s credit rating has changed the interest rate will refer to the interest rate or yield according to the 1-month bonds of new credit rating level of THAIBMA.
Determination of interest rate	The interest rate that occurs in each month will be calculated equal to the yield on the first business day of that month according to 1-month bonds from THAIBMA by ASIAN’s credit rating level.
Interest Payment	Pay interest on the last business day of the month
ASIAN’s credit rating at present	BBB level, conducted a credit rating assessment by TRIS Rating Company Limited No. 22/2023 on 28 February 2023.
Principle repayment	At call
Collateral	None

Such receipt of financial assistance is considered a connected transaction under the Connected Transaction Notifications as such assistance would be granted by ASIAN, the Company's connected person.

The value of the transaction was 1.07 per cent of the Company's NTA according to its consolidated financial statements as of 30 June 2023, which was 4,522.62 million Baht.

In this regard, the Company has a connected transaction during the past 6 months prior to the date of entering into the transaction, which is caused by the same connected person, which is ASIAN, with the value of the transaction at 0.97 per cent of the Company's NTA. Therefore, the total transaction size is equal to 2.04 per cent of the Company's NTA.

Since the value of such transaction was more than 0.03 per cent, but less than 3 per cent of the Company's NTA, the Company was required to disclose information on the receipt of up to 500,000,000 Baht revolving financial assistance transaction to the SET in accordance with the Connected Transaction Notifications. **Refer to the documents, Information Memorandum on the Connected Transaction of Asian Alliance International Public Company Limited**

6. Resolved to approve the date of the Extraordinary General Meeting of Shareholders No. 1/2023 on Thursday, September 28, 2023 at 2:00 p.m. at the Head Office of Asian Alliance International Public Company Limited, No. 55/2 Moo. 2 Rama 2 Road, Bang Krachao, Muang, Samut Sakhon Province 74000 by setting the date for determining the names of shareholders who are entitled to attend the Extraordinary General Meeting of Shareholders. No. 1/2023 (Record Date) on August 25, 2023. The agenda of the meeting is as follows.
  - Agenda 1 To acknowledge the amendment to the purpose of utilizing proceeds from the initial public offering (IPO).
  - Agenda 2 To consider and approve the extension of financial assistance to Asian Sea Corporation Public Company Limited ("ASIAN") for an amount not exceeding an additional 500 million baht, totaling not more than 1,000 million baht, for a period of not more than 3 years ending April 19, 2026 in the form of a loan agreement or any debt instrument, which is a connected transaction.
  - Agenda 3 To consider other matters (if any)

## Details of the amendment to the purpose of utilizing proceeds from the initial public offering (IPO)

## Details of the amendment to the purpose of utilizing proceeds from the initial public offering (IPO)

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 2,278.84 million (after deducting all related expenses in the offering) with the objective of using the proceeds approximately according to the company’s business plan and is the best estimate of the allocation of the proceeds from the offering of securities as follows:

(Unit: THB million)

Use of Proceeds	Total Amount (Estimated)
1. Investment in capacity expansion of wet pet food	600 – 700
2. Investment in the 2 <sup>nd</sup> Auto Warehouse	400 – 500
3. Repayment of short-term and long-term loans	700 – 800
4. Working capital	278.57 – 578.57
<b>Total</b>	<b>2,278.57</b>

The company reported the use of money as of December 31, 2022 to the Stock Exchange of Thailand as follows:

(Unit: THB million)

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

However, by the resolution of the Board of Directors in the Board of Directors' Meeting No. 2/2023, the Board of Directors resolved to approve the amendment of the objectives of the use of proceeds from the initial public offering (IPO) and reported those amendment to shareholders at the 2023 Annual General Meeting of Shareholders which was held on Thursday, April 20, 2023 at 2:00 p.m. at the head office of Asian Alliance International Public Company Limited, No. 55/2, Moo 2, Rama 2 Road, Bang Krachao, Mueang, Samut Sakhon Province 74000 as follows.

## Details of the amendment to the purpose of utilizing proceeds from the initial public offering (IPO)

(Unit: THB million)

Use of Proceeds	Total Amount (Estimated)	Actual proceeds pending until 31 December 2022	Remaining amount as of 31 December 2022
1. Investment in capacity expansion of wet pet food	300	113.12	186.88
2. Investment in the 2 <sup>nd</sup> Auto Warehouse	300	-	300.00
3. Repayment of short-term and long-term loans	1,070	800.00	270.00
4. Working capital	608.84	278.84	330.00
<b>Total</b>	<b>2,278.84</b>	<b>1,191.96</b>	<b>1,086.88</b>

Then, the Company would like to report the utilization of capital increase from IPO as of 30 June 2023, through the SET on July 14, 2023 as follows:

(Unit: THB million)

Use of Proceeds	Total Amount (Estimated)	Actual proceeds pending until 31 June 2023	Remaining amount as of 31 June 2023
1. Investment in capacity expansion of wet pet food	300.00	223.67	76.33
2. Investment in the 2 <sup>nd</sup> Auto Warehouse	300.00	0.76	299.24
3. Repayment of short-term and long-term loans	1,070.00	1,070.00	0.00
4. Working capital	608.84	608.84	0.00
<b>Total</b>	<b>2,278.84</b>	<b>1,903.27</b>	<b>375.57</b>

While the Company has not yet used the proceeds from this IPO as expected in the table above. The company keeps the money in the form of savings deposits with banks and receives a deposit interest rate of 1.40% per annum.

However, as sales volumes dropped rapidly during the 1 half of the year compared to same period last year, mis-match compared to the budget of the year. The company's customers are still in the de-stocking period to appropriate with the lead time which has been shorten due to logistic disruption was over. In the meantime, the company decided to delay its investment in 2nd Automatic warehouse and new factory until it has clearer trend on pet food industry. The company believes that it would be more efficient to use cash on hand on the company working capital than invest in those big projects investment to reduce financial cost in the very next future as working capital trend to increase along its sales volumes. As SorJor 63/2561 on the change of the use of proceed according to IPO filing No.3 stated that non-signification changes of use of proceed could be done by Board of Directors approval, the Board of the Director of the Company, by then, the Board of Directors through the Board of Directors Meeting No. 4/2023 on August 9, 2023 resolved to approve the amendment of the objectives of the use of proceeds as follows:

## Details of the amendment to the purpose of utilizing proceeds from the initial public offering (IPO)

(Unit: THB million)

Use of Proceeds	Total Amount (Estimated)	Actual proceeds pending until 31 June 2023	Remaining amount as of 31 June 2023
1. Investment in capacity expansion of wet pet food	300.00	223.67	76.33
2. Repayment of short-term and long-term loans	1,070.00	1,070.00	0.00
3. Working capital	908.84	608.84	300.00
<b>Total</b>	<b>2,278.84</b>	<b>1,902.51</b>	<b>376.33</b>

The company believes that the amendment of the objectives of the use of proceeds from the initial public offering (IPO) stated above are appropriate with cash management under current situation as sales growth was lower than expected. This also match with the amendment of investment plan for the year 2023. When the company decided to start its automatic warehouse project, the company believes that it could use operating cash or even loan from financial institution to support the project.

**Information Memorandum on the Connected Transactions of  
Asian Alliance International Public Company Limited**

**Transaction No.1**

Additional of revolving financial assistant credit line amounting of 500,000,000 Baht provide to Asian Sea Corporation Public Company Limited, up to three (3) years period ended on 19 April 2026 in the form of loans or debt instruments, which is a connected transaction

According to the resolution of the Annual General Meeting of Shareholders for the year 2023 held on 20 April 2023, it was approved to grant revolving financial assistance to Asian Sea Corporation Public Company Limited (“ASIAN”) up to 500,000,000 Baht for 3 years ended 19 April 2026 in the form of any loan or debt instrument.

Since the Company has excess liquidity from the Company's working capital Therefore, The Board of Directors' Meeting No. 4/2023 held on 9 August 2023 resolved to approve the additional of revolving financial assistant credit line amounting of 500,000,000 Baht, total amount not exceeding 1,000,000,000 Baht provide to ASIAN, up to three (3) years period ended on 19 April 2026 in the form of loans or debt instruments, with the same conditions to be proposed to the Extraordinary General Meeting of Shareholders No. 1/2023 on 28 September 2023 for consideration as detailed in item 3.1 General description and nature of the transaction :

Transaction No.1

**Transaction No.2**

Additional of revolving financial assistant credit line amounting of 500,000,000 Baht receive from ASIAN up to three (3) years period ended on 28 February 2026 in the form of loans or debt instruments, which is a connected transaction

The Board of Directors' Meeting No. 2/2023 held on 1 March 2023 resolved to approve the receipt of up to 500,000,000 Baht revolving financial assistance from ASIAN for three (3) years ended 28 February 2026 in the form of loans or debt instruments

Therefore, the Board of Directors' Meeting No. 4/2023 held on 9 August 2023 resolved to approve the additional of revolving financial assistant credit line amounting of 500,000,000 Baht, total amount not exceeding 1,000,000,000 Baht receive from ASIAN up to three (3) years period ended on 28 February 2026 in the form of loans or debt instruments, with the same conditions as detailed in item 3.1 General description and nature of the transaction : Transaction No.2



The Company would like to disclose information on the said connected transactions to the SET in accordance with the Connected Transaction Notifications as follows:

**1. Date of the transaction**

After the shareholders' meeting has approved the entry into such transaction where the entry into and the value of each financial assistance transaction will be subject to financing needs and ability to grant financial assistance from both parties at the relevant time.

**2. Parties involved and their relationship with the Company**

Transaction No.1 - Financial Assistant Grantor : The Company

Financial Assistant Recipient : ASIAN

Transaction No.2 - Financial Assistant Grantor : ASIAN

Financial Assistant Recipient : The Company

Relationships: The Company is a subsidiary of ASIAN where ASIAN holds 70.00 per cent of the paid-up capital of the Company and has common directors which are Mr. Somsak Amornrattanachaikul, Mr. Suriya Prasatbuntitya and Miss Prapa Puranachote.

**3. General description and nature of the transaction and transaction size**

**3.1 General description and nature of the transaction**

Description	Transaction 1	Transaction 2
Transaction detail	Granting financial assistance	Receiving financial assistance
Lender	The Company	ASIAN
Borrower	ASIAN	The Company
Type of loan	Loans or all legal debt instruments	
<b>Outstanding credit line</b>		
Credit line	500,000,000 Baht	500,000,000 Baht
Approval date	The Annual General Meeting of Shareholders for the year 2023 held on 20 April 2023	The Board of Directors' Meeting No. 2/2023 held on 1 March 2023
Withdrawal period	By 19 April 2026	By 28 February 2026

Description	Transaction 1	Transaction 2
<b>Additional credit line (to entering the transaction)</b>		
Additional credit line	500,000,000 Baht Total amount of 1,000,000,000 Baht	500,000,000 Baht Total amount of 1,000,000,000 Baht
Approval date	To be proposed to the Extraordinary General Meeting of Shareholders No. 1/2023 on 28 September 2023 for consideration	The Board of Directors' Meeting No. 4/2023 held on 9 August 2023
Withdrawal period	By 19 April 2026	By 28 February 2026
<b>Conditions</b>		
Interest rate	Equivalent to 1-month bonds with BBB credit rating level from THAIBMA on 2 August 2023 at 3.78 per cent per year calculated based on 365 days per year which ASIAN's credit rating is currently at BBB level.  In the event that ASIAN's credit rating has changed the interest rate will refer to the interest rate or yield according to the 1-month bonds of new credit rating level of THAIBMA.	
Determination of interest rate	The interest rate that occurs in each month will be calculated equal to the yield on the first business day of that month according to 1-month bonds from THAIBMA by ASIAN's credit rating level.	
Interest Payment	Pay interest on the last business day of the month	
ASIAN's credit rating at present	BBB level, conducted a credit rating assessment by TRIS Rating Company Limited No. 22/2023 on 28 February 2023.	
Principle repayment	At call	
Collateral	None	

### 3.2 Transaction size

#### 1) Granting financial assistance

Such grant of financial assistance is considered a connected transaction under the Connected Transaction Notifications as such assistance would be granted to ASIAN, the Company's connected person. The value of the transaction was 12.12 per cent of the Company's NTA according to its consolidated financial statements as of 30 June 2023, which was 4,522.62 million Baht.

Since the value of such transaction was more than 3 per cent of the Company's NTA, the Company was required to undertake the following actions in connection with the grant of up to 500,000,000 Baht revolving financial assistance transaction:

- (a) Disclose information on the Company's connected transaction to the SET in accordance with the Connected Transaction Notifications
- (b) Obtain approval for entering into the Company's connected transaction from a shareholders' meeting of the Company with votes of not less than three-fourths of the total votes of the shareholders attending the meeting and having the right to vote, excluding interested shareholders, where the Company must send a notice of such meeting to the shareholders at least 14 days in advance.
- (c) Appoint an independent financial advisor to provide an opinion on the Company's connected transaction and deliver such opinion to the SEC Office and the SET.

In this regard, the Company has a transaction that occurred during the past 6 months prior to the date of entering into this transaction which is caused by the connected person, ASIAN. Such transaction has been approved by the shareholders' meeting. Therefore, it does not include the size of the transaction.

2) Receiving financial assistance

Such receipt of financial assistance is considered a connected transaction under the Connected Transaction Notifications as such assistance would be granted by ASIAN, the Company's connected person.

The value of the transaction was 1.07 per cent of the Company's NTA according to its consolidated financial statements as of 30 June 2023, which was 4,522.62 million Baht.

In this regard, the Company has a connected transaction during the past 6 months prior to the date of entering into the transaction, which is caused by the same connected person, which is ASIAN, with the value of the transaction at 0.97 per cent of the Company's NTA. Therefore, the total transaction size is equal to 2.04 per cent of the Company's NTA.

Since the value of such transaction was more than 0.03 per cent, but less than 3 per cent of the Company's NTA, the Company was required to disclose information on the receipt of up to

500,000,000 Baht revolving financial assistance transaction to the SET in accordance with the Connected Transaction Notifications.

**4. Total value and criteria used to calculate the total value of the transaction**

**Transaction No.1** – The total value of such grant of financial assistance will be up to 548,311,506.85 Baht comprising the principal up to 500,000,000 Baht and the interest or yield according to 1-month bonds with BBB credit rating level from THAIBMA which is currently at 3.78 per cent per year up to 3 years period ended 19 April 2026 in the total amount of up to 48,311,506.85 Baht.

**Transaction No.2** – The total value of such receipt of financial assistance up to 3 years period ended 28 February 2026 will be up to 48,311,506.85 Baht and the interest or yield according to 1-month bonds with BBB credit rating level from THAIBMA which is currently at 3.78 per cent per year

**5. Total value of consideration and payment method**

The Company's excess liquidity from working capital in the amount of 500,000,000 Baht.

**6. Directors with interests and/or directors who are connected persons did not attend the meeting and had no right to vote at the meeting**

Mr. Somsak Amornrattanachaikul, Mr. Suriya Prasatbuntitya and Miss Prapa Puranachote as directors with interests and/or directors that are connected persons, did not attend and had no right to vote at the Board of Directors' Meeting No. 4/2023 held on 9 August 2023 during consideration of the agenda item relating to the entry into the connected transactions.

**7. Opinion of the Board of Directors on the entry into the transactions**

The Board of Directors' Meeting No. 4/2023 held on 9 August 2023 (by disinterested members) is of the opinion that such transaction is for the benefit of short-term liquidity management within the group of companies by both parties who receiving financial assistance and granting financial assistance without

financial intermediaries (Cash pooling). Hence, the financial assistance grantor will receive higher return on excess cash balance from the current receiving rate of 1.40 per cent, while financial assistance recipient will receive lower financial costs which the current short-terms financing cost from financial institutions is about 3.20 – 4.92 per cent. In addition, the Board of Directors has considered the sufficiency of the Company's cash flow including the ability to repayment of the debt for both parties (as grantor and receiver of financial assistance) as a part of the consideration.

8. Opinion of the Audit Committee and/or directors different from the opinion of the Board of Directors under item 7

The Audit Committee did not have a different opinion from that of the Board of Directors.