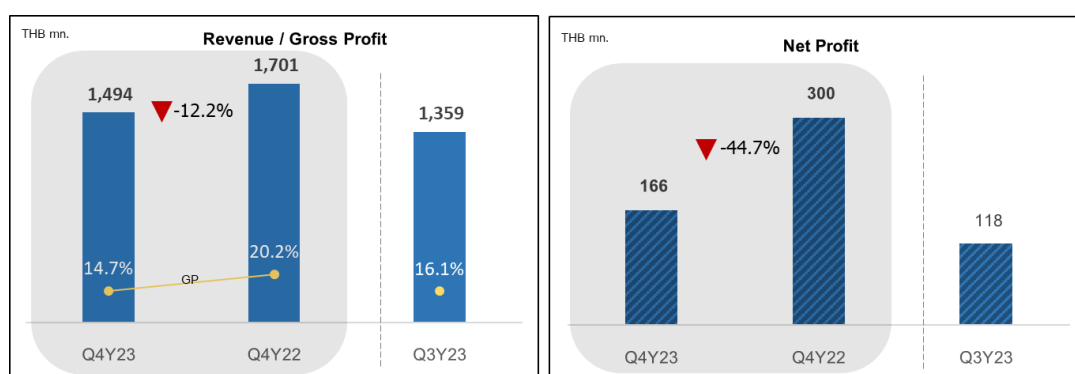


Management Discussion and Analysis

For Q4Y23 and 2023

Executive Summary

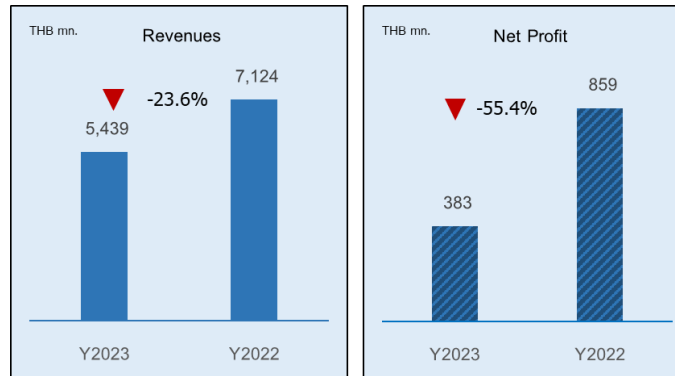
- Revenue from sales of the Company for Q4 2022 and 2023 were THB 1,701 million and THB 1,494 million, respectively, representing a decrease of 12.2%. The decrease was driven by significant decline in Pet Food which has been offset partly by increased in Human shelf stable.
- The Q4 2023 gross profit of the Company was THB 220 million, 35.8% decreased YoY (Q4 2022: THB 343 million, Q3 2023: THB 218 million). The Company Q4 2023 gross profit margin was at 14.7% (Q4 2022: 20.2%, Q3 2023: 16.1%), mostly pressured from raw material cost as sales portion of human shelf-stable was higher. Labor and Utilities portion to sales also increased due to low utilization rate.
- The Q4 2023 net profit of the Company was THB 166 million, 44.7% increased YoY due to sharply sales dropped even operating expenses decreased more than 40%. The company had no interest-bearing debts. Moreover, there were financial revenues from cash deposit and loan to parent company. Gain from exchange rate also decreased significantly. The earnings per share was THB 0.08 per share (Q4Y22: THB 0.14 per share).



- Revenue from sales of the Company for the year 2022 and 2023 were THB 7,124 million and THB 5,439 million respectively, representing a decrease of 23.6% due to decline in pet food sales and slightly increase in human shelf-stable.
- The gross profit of the Company for the year 2023 was at THB 719 million, 49.1% decreased YoY. The Company 2023 gross profit margin is at 13.2% compared to 19.9% at 2022. The decreased mostly due to higher raw material cost force by higher portion in human shelf-stable sales. Higher labor and utilities cost portion compared to sales also contributed due to quite low utilization rate.
- The Company's net profit for the year 2023 was THB 383 million, decreased 55.4% from THB 859 million last year. The net profit margin for the year 2023 was 7.0%, compared to 12.1% previous year, owing mostly to a lower sales and gross profit margin. Operating expenses for the year was more

than 20% lower compared to the previous year. Loss from exchange rate increased, financial cost dropped and even had gain from interest received from cash deposit and loan to the parent company. Earnings per share was THB 0.18 (2022: THB 0.40 per share).

- The company will pay dividend at the rate of THB 0.23 per share if approved by AGM 2024. The company expect to pay dividend at the rate of THB 0.18 per share as the interim dividend was paid already at the rate of THB 0.05 per share on September 2023.



Business 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.

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."

Most of sales revenue is generated by exporting products to overseas markets.

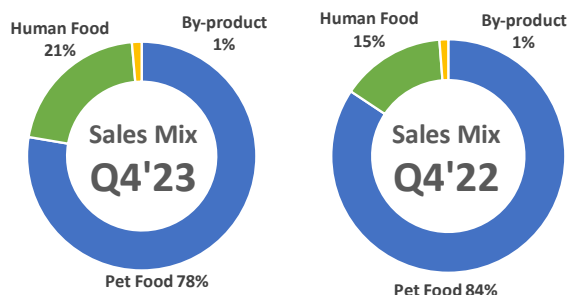
Major Developments

Total sales volumes in Q4 2023 decreased by 7% YOY to 9,199 tons from 9,855 tons in Q4 2022. Pet food volumes declined around 15%. Even there were head-up trend in both USA and EU market, Red Sea situation and rapid freight cost increase pressured the shipment at the very last end of the quarter. Human shelf-stable volume increased demand from Middle east and Saudi Arabia as tuna price dropped to the expected lowest price.

Total sales (including intercompany transactions) declined 12% to THB 1,501 million in Q4 2023 due to pet food which partly offset by increased in Human shelf stable. Therefore, human shelf stable portion increased to 21% compared to 15% of Q4 2022. By-product sales values were at around 1% still.

Sales By Business Segment	Q4Y23	Q4Y22	%Growth	Q3Y23
Volume (Mt)	9,199	9,855	-7%	9,594
Pet Food	6,578	7,726	-15%	6,317
Human Food	1,863	1,402	33%	1,252
By-product	758	727	4%	508
Revenues (Millions Baht)	1,501	1,707	-12%	1,399
Pet Food	1,166	1,440	-19%	1,134
Human Food	315	247	28%	214
By-product	21	21	-1%	15

Remark: Revenues in the table is included intercompany sales.



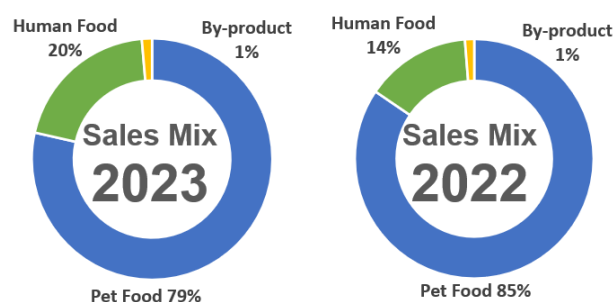
For 2023, total sales volume decreased 21% YoY to 34,827 tons from 44,210 tons, mainly driven by Pet food volume due to slowing down of pet food demand in US and EU market which has gradually improved since the past quarter. Human shelf stable volume increased due to quite high production in Q1 and higher demand in Q4.

Total revenues for the year 2023 (including intercompany transactions) decreased by 24% to THB 5,475 million, owing primarily to pet food decline which partly offset by increase in human shelf stable.

Pet food revenue portion decreased to 79% compared to 85% last year. Human shelf stable revenue increased to the strategic level.

Sales By Business Segment	2023	2022	%Growth
Volume (Mt)	34,827	44,210	-21%
Pet Food	25,432	34,754	-27%
Human Food	6,646	6,350	5%
By-product	2,750	3,106	-11%
Revenues (Millions Baht)	5,475	7,173	-24%
Pet Food	4,300	6,060	-29%
Human Food	1,101	1,023	8%
By-product	75	90	-17%

Remark: Revenues in the table is included intercompany sales.

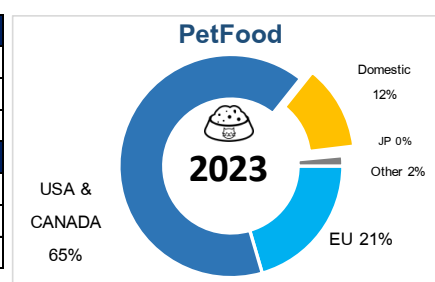


Pet Food

The majority of revenue from pet food sales comes from original equipment manufacture (OEM) under customers' brands, which are owned by prominent multinational brand owners. Owned brand pet food sales accounted for only 3.4% of total pet food sales of the company.

Pet Food Business Revenues (THB mn.)	Q4Y23	Q4Y22	%Growth
OEM Pet Food	1,133	1,403	-19%
Brand Pet Food	32	37	-14%
By-product (Fishmeal)	21	21	-1%
Pet Food Business Revenues (THB mn.)	Y2023	Y2022	%Growth
OEM Pet Food	4,149	5,909	-30%
Brand Pet Food	150	152	-1%
By-product (Fishmeal)	75	90	-17%

Remark: Revenues in the table is included intercompany sales.



OEM pet food revenues dropped 19% YoY to THB 1,133 million and 30% YoY to THB 4,149 million for Q4 2023 and for the year 2023 respectively as wet pet food brand owner customers' demand declined sharply due to overwhelming stock compared to lead time since internal logistic recover after covid-19 pandemic. Such the demand gradually recovers since end of Q3 then. Key market was US and EU still.

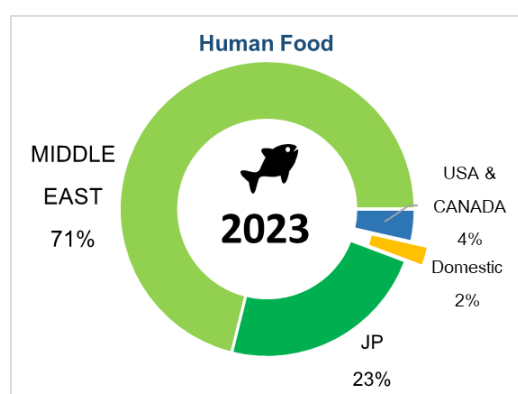
Owned Brand pet food revenues decreased 14% YoY to THB 32 million and slightly dropped to THB 150 million for Q4 2023 and for the year 2023 respectively driven by very strong competition from newly enter of

international meanwhile local market growth seems to slowdown. The company, then, plans to increase its distribution channel using sales driven promotion, including new in-trend SKUs launch.

“monchou” sales of “Thaiya”, subsidiary in China, was not improved even Thaiya was able to maintain its market shares in some particular area. In 2024, Thaiya will expand its online channel and diversify to new product categories to drive sales growth. The company aim to improve its sales as achieved in Thailand by developing new local distributors efficiently.

Dry pet food factory in China, “Thaiya Meisi”, was not improved too. Sales values trend to increase so the company had lower net loss. Even it could not produce for internal brand yet, it expected to be able to develop its new local customers as the company improved its production and packing lines.

Human shelf stable



Human food, mainly tuna shelf-stable products, sales volume increased rapidly in Q4 2023, from 1,402 tons to 1,863 tons, or 33%, due to demand from Saudi Arabia and Middle east as tuna price decreased to an expected lowest level and unrest situation in the region even freight cost increased rapidly, especially at the end of the quarter. Sales value increased to THB 315 million, 28% increase compared to THB 247 million same quarter last year.

For 2023, sales volume increased 5% compared to last year to 6,646 tons and sales value increased 8% to THB 1,101 million

YoY (2022: THB 1,023 million). Middle East is still the major market. Human Value-added shelf stable contribute only around 3% and slightly decreased compared to last year.

Financial Review

Profitability Analysis

STATEMENT OF INCOME	Q4Y23		Q4Y22		Change	Q3Y23		Change
	Mil. THB	% to sales	Mil. THB	% to sales		%	Mil. THB	
Revenue from Sales & Services	1,494	100.0	1,701	100.0	(12.2)	1,359	100.0	10.0
Cost of sales & services	(1,274)	(85.3)	(1,358)	(79.8)	(6.2)	(1,141)	(83.9)	11.7
Gross Profit	220	14.7	343	20.2	(35.8)	218	16.1	0.9
Operating Expenses	(68)	(4.6)	(116)	(6.8)	(41.2)	(97)	(7.2)	(29.6)
Operating Profit	152	10.1	227	13.3	(33.1)	121	8.9	25.5
Other incomes	14	0.9	17	1.0	(16.2)	14	1.1	(1.8)
Gain/(Loss) on FX	10	0.7	99	5.8	(89.8)	(12)	(0.9)	(185.8)
Other expenses	(0)	(0.0)	(1)	(0.0)	(89.7)	0	0.0	(115.4)
Financial cost	12	0.8	(6)	(0.4)	(305.8)	1	0.1	904.6
Profit before tax	188	12.6	336	19.8	(44.0)	125	9.2	50.4
Tax expenses (income)	(22)	(1.5)	(36)	(2.1)	(38.6)	(7)	(0.5)	211.9
Net Profit	166	11.1	300	17.7	(44.7)	118	8.7	40.8
EPS.	0.08		0.14			0.06		

Revenue from Sales & Services

AAI reported THB 1,494 million in revenue from sales and services in Q4 2023, a 12.2% decrease YoY, pushed by pet food which partly offset by increase in human shelf stable. However, revenue from sales and services

increased 10% compared to the Q3 2023 from both pet food and human shelf stable even being pressured by unrest situations in Red Sea and high freight cost.

Gross Profit

Gross profit for Q4 2023 was THB 220 million, 35.8% decrease from the same quarter last year, and represented 14.8% of revenues, compared to 20.2% from the same period last year as human shelf stable portion increased to 21% (Q4 2022: 15%, Q3 2023: 16%), even tuna price has been dropped and other raw material cost was not very fluctuated during the quarter.

Operating expenses

Operating expenses for Q4 2023 were THB 68 million, decreased 41.2% YoY, and consisted of selling and distribution charges and administrative expenses.

Selling and distribution expenses of the Company decreased around THB 8 million, mainly due to the decrease of sales revenue. Administrative expenses decreased around THB 33 million as in the same quarter last year, the company paid for stock damage and had some expenses due to initial public offering and Listing in the Stock Exchange of Thailand.

The company gained around THB 10 million for exchange rate in Q4 2023, decreased sharply compared to THB 99 million YoY as the US dollars has been more volatile. However, the company hedging policy has been improve compared to exchange rate loss of THB 12 million in Q3 2023.

Financial cost

The financial cost for Q4 2023 was at net received around THB 12 million compare to net financial cost of THB 6 million same quarter last year as the company interest expenses was at around THB 3 million (calculated from more than 3 years lease contract), but received THB 15 million interest from cash deposit and loan to Asian Sea corporation PLC.

Tax expense

In Q4 2023, the effective tax rate was 11.6%, or THB 22 million, slightly higher than 10.6% of the same quarter last year.

Net Profit and Earning per Share

For Q4 2023, net profit of the Company was at THB 166 million, 44.7% decreased YoY, net profit margin was at 11.1% (Q4 2022:17.7%, Q3 2023: 8.7%). Earnings per share of AAI for Q4 2022 was THB 0.08.

STATEMENT OF INCOME	Y2023		Y2022		Change
	Mil. THB	% to sales	Mil. THB	% to sales	
Revenue from Sales & Services	5,439	100.0	7,124	100.0	(23.6)
Cost of sales & services	(4,720)	(86.8)	(5,709)	(80.1)	(17.3)
Gross Profit	719	13.2	1,414	19.9	(49.1)
Operating Expenses	(336)	(6.2)	(425)	(6.0)	(20.8)
Operating Profit	383	7.0	990	13.9	(61.3)
Other incomes	54	1.0	72	1.0	(25.2)
Gain/(Loss) on FX	(55)	(1.0)	(44)	(0.6)	23.3
Other expenses	(1)	(0.0)	1	0.0	(234.2)
Financial cost	15	0.3	(33)	(0.5)	(146.9)
Profit before tax	397	7.3	985	13.8	(59.7)
Tax expenses (income)	(14)	(0.3)	(126)	(1.8)	(89.0)
Net Profit	383	7.0	859	12.1	(55.4)
EPS.	0.18		0.40		

Revenue from Sales & Services

Revenue from sales and services of the Company for the year 2022 and 2023 were THB 7,124 million and THB 5,439 million respectively, representing a decrease of 23.6% due to slowing down of pet food demand in US and EU market as brand owner adjusting their stock matching shorten lead time. Such the situation impacted the market since end of 2022 and gradually improved since the past September. Human shelf stable volume increased has been partly offset.

Gross Profit

The gross profit for the year 2023 was at THB 719 million, 49.1% decrease YoY. The Company 2023 gross profit margin is at 13.2% compared to 19.9% last year. This year, gross profit margin declined as a result of higher raw material due to higher sales portion of human shelf stable with higher tuna price compared to last year, contribute by more fluctuate of exchange rate.

Operating expenses

Operating expenses was at THB 336 million, a 20.8% decrease YoY mostly due to tightening advertising and promotion expenses of “monchou” and “Hajiko”. Moreover, for the last year, stock damage and administrative expenses due to initial public offering and Listing in the Stock Exchange of Thailand has been included.

The company reported THB 55 million net loss from exchange rate for 2023, significant increase compared to THB 44 million net loss of last year as the US dollars has been very volatile so that the company suffered from loss especially in the first half of the year. The company adjusted its policy along the way according to the market situation and impact less in by the end of the year.

Financial cost

Financial cost of 2023 was reported at THB 15 million net received. The company had THB 31 million interest income from Asian Sea Corporation PLC and saving deposit which off-set with THB 16 million net financial cost. For 2022, the company reported THB 33 million net cost.

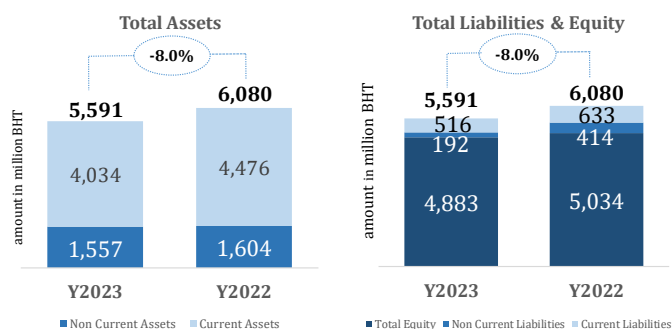
Tax expense (income)

For 2023, effective tax rate was 3.5% significantly lower than 12.8% at last year. Actual tax expense was at THB 37 million which has been offset with THB 21 million of tax income booked.

Net Profit and Earning per Share

The net profit of 2023 was THB 383 million, 55.4% decrease compared to THB 859 million of last year. The net profit margin for 2023 was 7.0% compared to 12.1% of last year. Earnings per share was THB 0.18.

Financial Position



Total Assets

AAI assets decreased by THB 489 million, or 8.0%, from THB 6,080 million at the end of 2022 to THB 5,591 million on December 31st, 2023. The main contributors were THB 107 million and THB 453 million decreased in trade and other receivables and inventory respectively. Cash decreased by THB 577 million and related party receivables increased THB 832 million.

Property, plant, and equipment totaled THB 1,326 million as of December 31st, 2023, slightly decrease compared to last year.

Total Liabilities

The total liabilities of the Company were THB 708 million as of December 31st, 2023, a decrease of THB 338 million from THB 1,046 million at the end of 2022 due to decrease in both short-term and long-term borrowing paid up using cash received from IPO.

Total Shareholders' equity

As of 31st December 2023, shareholders' equity of the Company was at THB 4,883 million, a decrease of THB 151 million from THB 5,034 million at the end of 2022 which was due to THB 531 million dividend paid and partly offset by profit for the year.

Cash Flow

	Unit: Million Baht		
	2023	2022	Change
Cash flow from operating activities			
Profit before tax	397	985	(588)
Adjustments for:			
Depreciation & Amortisation	208	174	34
Other adjustments	19	33	(14)
Loss (gain) on exchange rate	116	(102)	218
Financial cost, net	(15)	33	(48)
Operating profit before working capital changes	724	1,122	(398)
Decrease (increase) in operating assets	568	(587)	1,154
Increase (decrease) in operating liabilities	(30)	8	(38)
Cash from operating activities	1,261	543	718
Interest net paid	14	(35)	49
Income tax net paid	(40)	(101)	60
Net cash from operating activities	1,235	407	827

Operating activities

Cash flows from operating activities before changes in operating assets and liabilities for the year 2022 and 2023 were THB 1,122 million and THB 724 million respectively. The changes in cash flows were mainly due to the changes in operating profit during period.

Unit: million Baht	Y2023	Y2022	Change
Inventories	1,301	1,754	(453)
Account Recieviable	874	981	(107)
Cash & Other current assets	1,860	1,740	119
Account Payable	(338)	(313)	(24)
Other Payable	(34)	(58)	24
Net Working Capital	3,663	4,105	(441)
Inventory days	101	112	(6)
AR Days	55	47	0
AP Days	26	20	3

Cash flows from operating activities from changes in operating assets and liabilities for year 2023 were mainly due to decrease in trade and other receivables and inventories. As a result, the cash flows from (to) operating activities for the year ending 2022 and 2023 were THB 407 million and THB 1,235 million respectively.

As of 31st December 2023, the accounts receivable day and inventory days were 55 days and 101 days respectively. AR days increased due to sales growth with the Company's credit customers and longer shipment.

	Unit: Million Baht		
	2023	2022	Change
Cash flow from investing activities			
Purchases of property, plant and equipment	(165)	(439)	274
Proceed of sales equipments and investment property	2	1	1
Decrease in restricted bank deposit	-	19	
Short Term loan to Head Quarter	(832)	-	(832)
Cash return from Loan to Joint Venture	2	5	(3)
Net cash used in investing activities	(993)	(415)	(578)
Cash flow from financing activities			
Bank borrowings raised	-	(226)	226
Repayment of bank borrowings	(270)	(75)	(195)
Repayment of lease liabilities	(15)	(13)	(2)
Net cash received from IPO	-	2,299	(2,299)
Dividend paid	(531)	(512)	(19)
Net cash from financing activities	(816)	1,473	(2,289)
Effect of foreign exchange rate changes	(2)	(3)	2
Net increase (decrease) in cash and cash equivalents	(577)	1,462	(2,038)
Cash and cash equivalents at beginning of period	1,508	46	1,462
Cash and cash equivalents at end of period	931	1,508	(576)

Investing activities

Cash flows used for investing activities for the year 2022 and 2023 were THB 415 million and THB 993 million respectively. For the year 2023, the Company financed THB 832 million to Asian Sea Corporation PLC. and invested for efficiency improvement as planned.

Financing activities

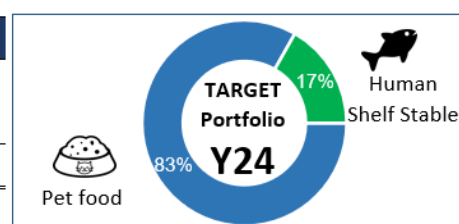
For the year 2022, cash flows from financing activities of the Company were THB 1,473 million, mainly due to cash received from IPO in October 2022 which partly offset by paid up in short-term loans from financial institutions as shown in the prospectus. For the year 2023, the Company used THB 816 million in financing activities, THB 513 million paid as dividend during the period and the others were loan repayment.

	Unit: Million Baht				
	FY23	%	FY22	%	% Chg
Cash and cash equivalent	931	16.7	1,508	24.8	-38.24
Trade and other receivables	874	15.6	981	16.1	-10.9
Short-term Loan to Related party	832	14.9	0	0.0	n/a
Inventories	1,301	23.3	1,754	28.9	-25.8
Other current assets	97	1.7	232	3.8	-58.5
Total current assets	4,034	72.16	4,476	73.6	-9.86
Investments	31	0.5	34	0.6	-10.5
Long term Loan to JV & Association	18	0.3	18	0.3	-0.5
Fixed assets	1,326	23.7	1,353	22.3	-2.0
Other non current assets	182	3.2	198	3.3	-8.3
Total non current assets	1,557	27.84	1,604	26.4	-3.0
Total Assets	5,591	100.0	6,080	100.0	-8.0
Bank overdraft and short-term loans	0	0.0	0	0.0	0.0
Trade and other payables	455	8.1	492	8.1	-7.5
Current portion of long-term loans & Leases	14	0.3	83	1.4	-83.0
Other current liabilities	47	0.8	58	1.0	-18.8
Total current liabilities	516	9.2	633	10.4	-18.4
Long term Loan	0	0.0	200	3.3	-100.0
Other non current liabilities	192	3.4	214	3.5	-10.0
Total non current liabilities	192	3.4	414	6.8	-53.5
Total Liabilities	708	12.7	1,046	17.2	-32.3
Total shareholders' equity	4,883	87.3	5,034	82.8	-3.0
Total Liabilities and Equity	5,591	100.0	6,080	100.0	-8.0

Key Financial Ratios									
	Q4Y23	Q4Y22	Q4Y21	Q3Y23		Q4Y23	Q4Y22	Q2Y21	Q3Y23
Growth Rates					Profitability Ratios				
Sales Growth	-12.2%	26.8%	14.6%	-30.6%	Return on equity*	7.8%	19.5%	26.8%	10.2%
Net Profit Growth	-36.8%	31.0%	40.3%	-39.5%	Return on assets**	6.8%	16.1%	17.7%	8.7%
					Total Assets Turnover***	97.3%	118.0%	138.2%	102.9%
Leverage and Liquidity Ratios					Net Profit margin	11.1%	15.5%	15.0%	8.7%
Current ratio	7.8	7.1	2.0	6.7	Gross profit margin	14.7%	20.2%	19.1%	16.1%
Quick or acid test ratio	5.1	3.9	0.6	4.2	* Using last 4 consecutive quarters net profit divided by end quarter equity				
Debt to equity ratio	0.1	0.2	0.5	0.2	** Using last 4 consecutive quarters net profit divided by end quarter total assets				
Net Debt to equity ratio	(0.2)	(0.3)	0.2	(0.2)	** Using last 4 consecutive quarters sales divided by end quarter total assets				

Y2024 Outlook:

Sales (Billion Baht)	2023	2024 Target	% Growth
Pet Food	4.4	5.4	24%
Human Shelf Stable	1.1	1.1	0%
Total AAI	5.5	6.5	19%
Consolidate GP	13.2%	13-15%	



The Company expect THB 6.5 billion sales, 19% sales growth in 2024 compared to 2023, recover from pet food sales growth while maintain human shelf stable.

The Company expect that its Pet food growth will be grow from both OEM and the Company own brands due to worldwide demand is in increasing trend still despite recession. Currently, the Company has 56,000 tons wet pet food capacity per year, which will be able to support growth during 2024-2025 from both current customers and even bring in opportunity to deal with new customers. The Company expect to have some contribution from dry pet food. Such opportunity will come from Asian Nutrition Co., Ltd., subsidiary of Asian

Sea Corporation PLC., which will be able to implement its dry pet food production in the first quarter 2024. The total pet food sales, then, be targeted at THB 5.4 billion.

The Company decided to invest in the 2nd Automatic Warehouse that has been postponed earlier to support its growth, including planned to invest in efficiency improvements continuously. The total capital expenditure for the year, then, budgeted at around THB 430 million.

The human shelf stable sales will be maintained at THB 1.1 billion, which will push its sales portion down to at around 17%. Then, the company expected that it will be able to manage its cost efficiently, closer to the target portion at 15%.

The Company also expects that its gross profit margin for the year will be improved to at around 13-15% of total revenue from sales and services due to higher portion of pet food sales and efficient cost management. The financial cost will be low as the company has enough cash to invest as planned.