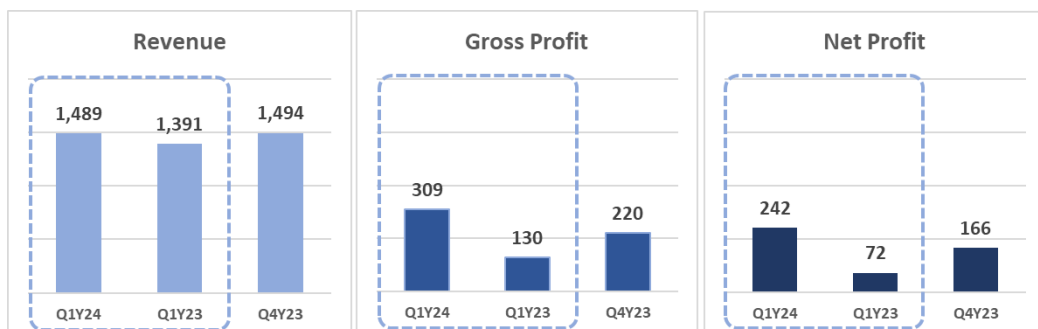


Management Discussion and Analysis

For Q1Y24

Executive Summary

- Revenue from sales of AAI Group for Q1 2023 and 2024 were THB 1,391 million and THB 1,489 million respectively, representing an increase of 7.1%. Pet Food sales increased significantly, especially in Europe. Meanwhile, Human Shelf-stable Food decreased sharply due to Pet Food volumes recovered which lower pressure of the Company to fill in the pipeline, so that the Company could be able to commit the order with policy gross profit.
- The Q1 2024 gross profit of AAI Group was THB 309 million, 138.6% increase YoY (Q1 2023:THB 130 million, Q4 2023:THB 220 million). Gross profit margin for Q1 2024 was at 20.8% (Q1 2023: 9.3%, Q4 2023: 14.7%). Overall cost of raw material was lower due to the rise in Pet Food sales portion. Strong USD versus THB during the quarter also contributed.
- The Q1 2024 net profit of AAI Group was THB 242 million, 234.8% increase YoY due to better sales in Pet Food which drove higher gross profit margin. Operating expenses decreased compared to same quarter last year due to lower marketing expenses. Gain from exchange rate was lower, however, financial cost for the quarter was at net receive due to interest income from cash deposit and loan to Head Quarter (Asian Sea Corporation PLC.)
- The earnings per share for Q1 2024 was THB 0.11 per share (Q1 2023: THB 0.03 per share, Q4 2023: THB 0.08 per share).



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

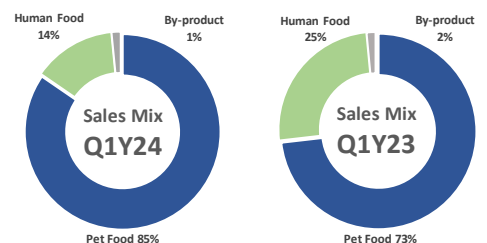
high-end market, notably "monchou" and Maria. (2) Pet food brands aimed for the mainstream market, such as "monchou balanced" and "Hajiko," and (3) Pet food brands aimed at the low-end market, such as "Pro."

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

Major Developments

Sales By Business Segment	Q1Y24		Q1Y23		Growth	Q4Y23		Growth
	tons	portion (%)	tons	portion (%)	% YoY	tons	portion (%)	% QoQ
Sales Volume	9,429	100.0	9,594	100.0	(1.7)	9,367	100.0	0.7
Pet Food	7,416	78.7	6,509	67.8	13.9	6,746	72.0	9.9
Human Food	1,260	13.4	2,227	23.2	(43.4)	1,863	19.9	(32.4)
By-product	753	8.0	858	8.9	(12.3)	758	8.1	(0.6)
Revenues	1,498	100.0	1,399	100.0	7.1	1,501	100.0	(0.2)
Pet Food	1,267	84.6	1,024	73.2	23.8	1,166	77.7	8.7
Human Food	208	13.9	354	25.3	(41.3)	315	21.0	(33.9)
By-product	23	1.5	21	1.5	10.4	21	1.4	12.7

*Sales Volume and Revenue include inter-company transactions



Total sales volumes in Q1 2024 (include inter-company transactions) decreased by 1.7% YOY to 9,429 tons from 9,594 tons in Q1 2023. Pet food volumes increased by 13.9% due to recover demand from international brand customers, especially big brands. Moreover, there were demand for new products to serve pet owners' need in order to gain more market share while pet food markets expand continuously. Human Shelf-stable food sales volumes decreased as high as 43.4% partly due to high volumes in Q1 2023 according to the Company policy which aimed to manage excess labor as Pet Food volumes sudden dropped. In Q1 2024, tuna price was lower and Pet Food volumes recovered which lower pressure of the Company to fill in the pipeline, so that the Company could be more selective committing Human Shelf-stable Food orders resulting in gross profit improvement.

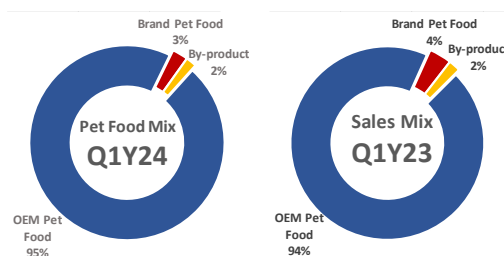
Total sales (including intercompany transactions) increased by 7.1% compared to the same quarter last year, to THB 1,498 million in Q1 2024. Pet food sales increased as high as 23.8%, more than Pet food volumes, due to better product mix and stronger USD compared to THB. Human Shelf-stable food sales decreased 41.3%, in line with volume dropped. Human Shelf-stable Food portion, then, dropped sharply to only 14% compared to 25% of Q1 2023.

By-product sales values were at around 1%. Volumes decreased slightly but revenues increased due to improvement in operating process result in higher quality products which could be sold at higher price.

Pet Food Performance

Pet Food Sales By Segment	Q1Y24		Q1Y23		Growth	Q4Y23		Growth
	tons	portion (%)	tons	portion (%)	% YoY	tons	portion (%)	% QoQ
Sales Volume	8,169	100.0	7,367	100.0	10.9	7,504	100.0	8.9
OEM Pet Food	6,869	84.1	5,862	79.6	17.2	6,193	82.5	10.9
Brand Pet Food	547	6.7	646	8.8	(15.4)	553	7.4	(1.1)
By-product	753	9.2	858	11.7	(12.3)	758	10.1	(0.6)
Revenues	1,291	100.0	1,045	100.0	23.5	1,186	100.0	8.8
OEM Pet Food	1,233	95.6	984	94.2	25.3	1,133	95.5	8.8
Brand Pet Food	34	2.6	40	3.8	(13.9)	32	2.7	5.5
By-product	23	1.8	21	2.0	10.4	21	1.7	12.7

*Sales Volume and Revenue include inter-company transactions

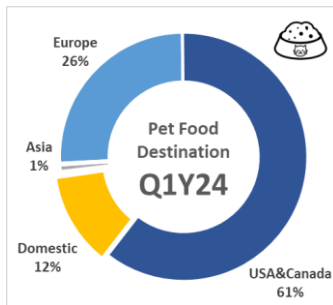


For Q1 2024, revenue from original equipment manufacture (OEM) Pet Food accounted for 95.6% of total Pet Food and By-products sales. Revenue from OEM Pet Food increased continuously since Q3 2023 and increased as high as 25.3% YoY in Q1 2024 to THB 1,233 million. Demand form brand customers increased successively, especially big brand customers. Demand for new products that could serve pets owners' need increased as brands owners want to boost up their sales. In Q2 2024, AAI Group launched 62 new items which are 42 new

cat food items and 20 new dog food items. In trend products are healthy functional products or functional products for malnourished pets.

Revenue from AAI Group’s brands decreased by 13.9% to THB 34 million compared to THB 40 million in Q1 last year. Domestic sales decreased by 9.0% due to strong competition. Domestic demand also pressured from lower purchasing power. Pets owner seeks for more cost-effective products. Sales in China in Q1 2024 was very low. However, Thaiya Corporation (Shanghai) Co., Ltd.’s management team has been changed, new sales team has been developed. The new team will adjust market strategy which consist of (1) expanding of online distribution channel, (2) developing new products, and (3) using potential local distributors in offline distribution aiming that “monchou” sales in China will be able to expand as in Thailand.

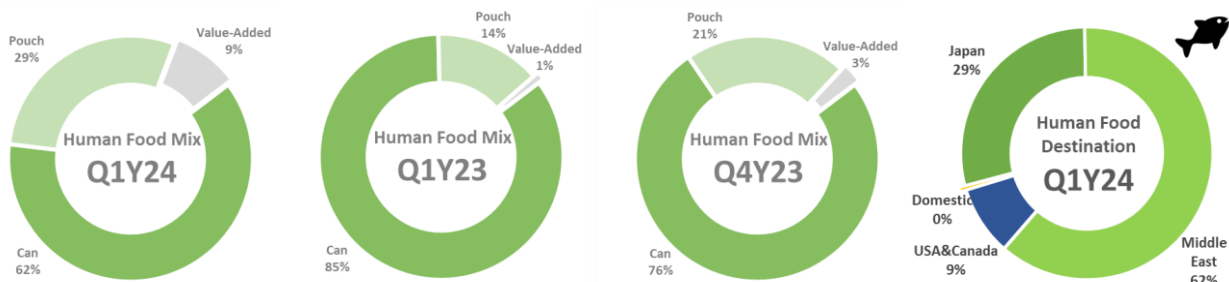
Brand Pet food sales portion was at 2.6% which was not increase along with AAI Group’s long-term strategy to increase Brand Pet Food sales portion to 10% by 2027. However, rather than pushing strategy in China, AAI Group plans to increase distribution channels in Thailand to generate more sales in the future and will focus more on using sales generating promotion. AAI Group will also seek for potential distributors in other countries who are willing to distribute AAI Group’s brands, especially “monchou”, AAI Group’s premium brand.



Sales revenue of Dry Pet Food factory in China, “Thaiya Meisi”, increased slightly. Gross profit margins improved so that net loss of the company was lower. As Thaiya Meisi successfully improved its production and packing lines, Thaiya Meisi expect to proceed OEM from local brand as the situation still no support OEM for international brand yet.

Key markets for Pet Food sales are USA and Europe still. In Q1 2024, Pet Food sales improved in almost every market, especially in Europe as key customers of the Company expand its market to Europe aggressively.

Human Food Performance



Revenue from Human Shelf-stable Food mainly come from tuna shelf-stable products still. In Q1 2024, Human Shelf-stable Food sales revenue decreased 41.3% to THB 208 million compared to THB 354 million in the same quarter last year. Such the decrease is slightly lower than decrease in volumes even tuna price is cheaper. Sales volume for the quarter was at 1,260 ton, 43.4% decrease compared to 2,227 tons of Q1 2023. Less drop in value compared to volume partly due to higher sales portion from Value-added and Pouch products as pressure to feed in orders were relieved compared to the same period last year due to Pet Food volumes recovered. Then, the Company was more selective committed to orders considered more appropriate gross profit margin.

Commodity tuna can sales to Middle East, which is the key market, was dropped as Pet Food volumes recovered which lower pressure of the Company to fill in the pipeline by Human Shelf-stable Food. Overall demand still good as tuna price dropped, so that higher demand from Japan and USA were partly offset.

Financial Review
Profitability Analysis

STATEMENT OF INCOME	Q1Y24		Q1Y23		Change	Q4Y23		Change
	Mil. THB	% to sales	Mil. THB	% to sales	%	Mil. THB	% to sales	%
Revenue from Sales & Services	1,489	100.0	1,391	100.0	7.1	1,494	100.0	(0.3)
Cost of sales & services	(1,180)	(79.2)	(1,261)	(90.7)	(6.4)	(1,274)	(85.3)	(7.4)
Gross Profit	309	20.8	130	9.3	138.6	220	14.7	40.6
Operating Expenses	(87)	(5.9)	(96)	(6.9)	(8.6)	(68)	(4.6)	27.7
Operating Profit	222	14.9	34	2.4	553.4	152	10.1	46.4
Other incomes	13	0.8	14	1.0	(10.1)	14	0.9	(10.9)
Gain/(Loss) on FX	21	1.4	27	1.9	(21.3)	10	0.7	109.2
Other expenses	2	0.1	0	0.0	4,583.8	(0)	(0.0)	(2,554.8)
Financial cost	11	0.7	(4)	(0.3)	(361.6)	12	0.8	(13.6)
Profit before tax	268	18.0	71	5.1	279.2	188	12.6	42.6
Tax expenses	(26)	(1.8)	2	0.1	(1,750.0)	(22)	(1.5)	19.5
Net Profit	242	16.3	72	5.2	234.8	166	11.1	45.7
EPS.	0.11		0.03			0.08		

Revenue from Sales & Services

Revenue from sales and services in Q1 2024 was THB 1,489 million which is in line with the previous quarter, but increased 7.1% YoY, mainly higher Pet Food sales which partly offset by the decline in Human Shelf-stable food.

Gross Profit

Gross profit for Q1 2024 was THB 309 million, 138.6% increase YoY, and represented 20.8% of revenues, compared to 9.3% from the same period last year and 14.7% in the previous quarter. Gross profit margin was significantly improved due to Pet Food sales portion was much higher. Gross profit margin of Human Shelf-stable Food also improved as the Company was able to take the orders with better gross profit according to AAI Group's policy. Moreover, lower tuna price in Q1 2024 and strong USD compared to THB also contributed in gross profit margin improvement in the quarter.

Operating expenses

Operating expenses for Q1 2024 were THB 87 million, decreased YoY due to lower selling and advertising expenses. AAI Group adjusted marketing strategy of the company's brands. Administrative expenses was still at around the same amount compare to same quarter last year.

AAI Group gained around THB 21 million from exchange rate in Q1 2024 as AAI Group sales US dollars forward contract according to the company hedging policy and reported THB 2 million profit from joint venture and associate (Other expenses).

Financial cost

The financial cost for Q1 2024 was recorded at THB 11 million net receive. AAI Group has no term loans from any financial institutes but had recorded THB 3 million financial expenses convert from long-term rent contract. Meanwhile, AAI Group had received THB 14 million interest from loan to Asian Sea Corporation PLC. and cash deposit. In Q1 2023, AAI Group has net THB 4 million financial cost as the Company still had THB 270 million balance in long term loan which has been repay upfront on late March 2023.

Tax expense (income)

In Q1 2024, AAI Group tax expense was at 9.7% effective tax rate or THB 26 million, which was higher compared to the previous year even the company still enjoy some BOI privileges. Tax expenses were recorded at around THB 27 million and Deferred income tax expenses were recorded as revenue at around THD 1 million from forward contract.

Net Profit and Earning per Share

For Q1 2024, net profit of AAI Group was at THB 242 million, 234.8% increased YoY, net profit margin was at 16.3% (Q1 2023:5.2%, Q4 2023: 11.1%). Earnings per share for Q1 2024 was THB 0.11.

Financial Position

Statement of Financial Position (mil.THB)	Q1Y24	%	FY23	%	% Chg
Cash and cash equivalent	1,037	17.7	931	16.7	11.31
Trade and other receivables	1,001	17.1	874	15.6	14.6
Short-term Loan to Related party	769	13.1	832	14.9	-7.6
Inventories	1,393	23.8	1,301	23.3	7.0
Other current assets	97	1.7	97	1.7	0.9
Total current assets	4,296	73.51	4,034	72.2	6.48
Investments	33	0.6	31	0.5	8.6
Long term Loan to JV & Association	18	0.3	18	0.3	2.5
Fixed assets	1,319	22.6	1,326	23.7	-0.5
Other non current assets	177	3.0	182	3.2	-2.5
Total non current assets	1,548	26.49	1,557	27.8	-0.5
Total Assets	5,844	100.0	5,591	100.0	4.5
Bank overdraft and short-term loans	0	0.0	0	0.0	0.0
Trade and other payables	446	7.6	455	8.1	-2.0
Current portion of long-term loans & Leases	8	0.1	14	0.3	-40.0
Other current liabilities	77	1.3	47	0.8	63.0
Total current liabilities	531	9.1	516	9.2	2.9
Long term Loan	0	0.0	0	0.0	n/a
Other non current liabilities	185	3.2	192	3.4	-3.6
Total non current liabilities	185	3.2	192	3.4	-3.6
Total Liabilities	716	12.3	708	12.7	1.2
Total shareholders' equity	5,128	87.7	4,883	87.3	5.0
Total Liabilities and Equity	5,844	100.0	5,591	100.0	4.5

Total Assets

As of March 31st, 2024, AAI Group total assets was at THB 5,844 million, THB 253 million increased from THB 5,591 million at the end of 2023. Cash on hand increased by THB 105 million. Account receivables increased by THB 127 million due to higher sales, especially from the customers with credit term. Inventories increased by THB 92 million as Pet Food sales, which have longer lead time compared to Human Shelf-stable Food, increased. Some key raw materials have been reserved more.

Property, plant, and equipment totaled THB 1,319 million as of March 31st, 2024, in line with value at the end of 2023.

Total Liabilities

The total liabilities of AAI Group were THB 716 million as of March 31st, 2024, slightly increased compared to THB 708 million at the end of 2023 due to other current liabilities which partly offset by lower Trade payable.

Total Shareholders' equity

As of 31st March 2024, shareholders' equity of AAI Group raised to THB 5,128 million, THB 245 million increase from THB 4,883 million at the end of last year, which mainly were profit during the period.

Cash Flow

Cash Flow Statement (Mil.THb)	Q1Y24	Q1Y23	Change	Cash Flow Statement (Mil.THb)	Q1Y24	Q1Y23	Change
Cash flow from operating activities				Cash flow from investing activities			
Profit before tax	268	71	197	Purchases of property, plant and equipment	(41)	(61)	20
Adjustments for:				Proceed of sales equipments and investment property	0	0	0
Depreciation & Amortisation	54	48	6	Decrease in short term loan to Head Quarter (Increase)	63	-	63
Other adjustments	7	(0)	8	Net cash flows from (used in) investing activities	23	(61)	84
Loss (gain) on exchange rate	4	70	(66)	Cash flow from financing activities			
Financial cost, net	(11)	4	(15)	Repayment of bank borrowings	-	(270)	270
Operating profit before working capital changes	323	193	130	Repayment of lease liabilities	(14)	(14)	(0)
Decrease (increase) in operating assets	(213)	364	(577)	Dividend paid	(0)	-	(0)
Increase (decrease) in operating liabilities	(20)	(101)	80	Net cash flows used in financing activities	(14)	(284)	270
Cash from operating activities	90	456	(366)	Effect of foreign exchange rate changes	2	0	2
Interest net paid	6	(3)	8	Net increase (decrease) in cash and cash equivalents	106	108	(3)
Income tax net paid	(0)	(0)	(0)	Cash and cash equivalents at beginning of period	931	1,508	(577)
Net cash flows from operating activities	95	454	(358)	Cash and cash equivalents at end of period	1,037	1,616	(579)

Operating activities

Cash flows from operating activities before changes in operating assets and liabilities for Q1 2023 and 2024 were THB 193 million and THB 323 million respectively. The changes in cash flows were mainly due to the changes in operating profit and realized gain or loss on exchange rate during period.

Working Capital (mil.THb)	Q1Y24	Q1Y23	Y2023
Inventories	1,393	1,523	1,301
Account Recievable	1,001	830	874
Cash & Other current assets	1,902	1,616	1,860
Account Payable	(335)	(269)	(338)
Other Payable	(111)	(35)	(34)
Net Working Capital	3,850	3,665	3,663
Inventory days	110	99	101
AR Days	62	42	55
AP Days	26	18	26

Cash flows from operating activities from changes in operating assets and liabilities for Q1 2024 were mainly due to increase in trade and other receivables according to higher sales, especially credit customers. Inventories decreased. Trade and other payables declined. As a result, the cash flows from operating activities for the quarter ending March 31st, 2024, were THB 95 million.

As of March 31st, 2024, the accounts receivable day and inventory days were 62 days and 110 days respectively. Accounts receivable days increased due to higher credit sales and partly were impacted on longer lead time in Middle due to logistic issues. Inventory days increased from higher stocks due to higher Pet Food sales and some raw material stock according to the Company policy.

Investing activities

AAI Group has cash flow from investing activities for Q1 2024 came from THB 63 million decline of loan to Head Quarter which partly offset by THB 41 million investment in machines and equipment due to AAI Group's continuous efficiency improvements strategy. In Q1 2023, THB 61 million were used in investing activities according to capacity expansion plan in 2023 for Pet Food products to accommodate long term growth of the company.

Financing activities

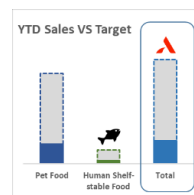
For Q1 2024, cash flows used in financing activities of AAI Group was THB 14 million which has been paid according to long term rent contract. For Q1 2023, AAI Group repaid rent according to long term rent contract and repaid long term debt in advance in total of THB 284 million.

Keys Financial Ratios

	Q1Y24	Q1Y23	Q1Y22	Q4Y23		Q1Y24	Q1Y23	Q1Y22	Q4Y23
Growth Rates					Profitability Ratios				
Sales Growth	7.1%	-18.2%	50.7%	-12.2%	Return on equity*	10.8%	14.0%	37.5%	7.8%
Net Profit Growth	234.8%	-78.6%	145.4%	-36.8%	Return on assets**	9.5%	12.4%	20.6%	6.8%
					Total Assets Turnover***	94.8%	119.0%	136.4%	97.3%
Leverage and Liquidity Ratios					Net Profit margin	16.3%	5.2%	10.7%	11.1%
Current ratio	8.1	8.9	1.6	7.8	Gross profit margin	20.8%	9.3%	20.2%	14.7%
Quick or acid test ratio	5.3	5.3	0.6	5.1	* Using last 4 consecutive quarters net profit divided by end quarter equity				
Debt to equity ratio	0.1	0.1	0.8	0.1	** Using last 4 consecutive quarters net profit divided by end quarter total assets				
Net Debt to equity ratio	(0.2)	(0.3)	0.5	(0.2)	** Using last 4 consecutive quarters sales divided by end quarter total assets				

Performance VS. Targets and Y2024 Outlook

SALES TARGET	2023		2024 Target		Growth	2024 YTD		Progress	New Target 2024		Growth
	Bil. THB	%	Bil. THB	%		Bil. THB	%		Bil. THB	%	
Pet Food	4.4	80%	5.4	83%	24%	1.3	86%	24%	5.4	83%	24%
Human Shelf-stable Food	1.1	20%	1.1	17%	-1%	0.2	14%	19%	1.1	17%	-1%
Total	5.5	100%	6.5	100%	19%	1.5	100%	23%	6.5	100%	19%
Consolidated GP	13.2%		13-15%			20.8%			17-18%		



Pet Food Sales successfully increased since Q3 2023 and tend to gradually increase through out the year due to rising demand from brands owners in key markets. However, an attempt to expand AAI Group's brand in Thailand and China along with the long-term strategy is very challenging. In Q1 2024, AAI Group achieved around 24% of its total Pet Food sales target for the year 2024. AAI Group believes that it could be able to achieve its target this year. The growth compared to 2023 will contribute from OEM Pet Food segment with both current customers, which their attempt to grow, and new customers. Moreover, AAI Group expects some contributions from OEM Dry Pet Food via facilities that invest by Asian Nutrition Co., Ltd., subsidiary of ASIAN.

Human Shelf-stable Food sales in Q1 2024 was quite low. The Company will be more selective to commit the order for the rest of the year as Pet Food volumes recovered, if there are not any other sudden factors impact the situation. Unrest situation in Middle East, which is main market of this segment, somehow, may pressure the market throughout the year. However, even AAI Group could not achieve its Human Shelf-stable sales target for the year, it could be able to compensate those by more Pet Food sales compared to targets.

AAI Group also expects that its overall gross profit margin will be better compared to its original target at 13-15% due to higher portion of Pet Food Sales compare to target. In the past quarter, gross profit margin of Pet Food enjoys positives impact from strong USD versus THB. Moreover, gross profit margin of Human Shelf-stable Food was improved as tuna price dropped and the Company could be able to select orders that could deliver policy's gross profit margin. However, gross profit margin of the rest of the year might slow down due to prices adjustment along with the exchange rate and higher price in some raw material such as chicken. AAI Group, then, expect gross profit for the year at around 17-18%.

AAI Group plans to renovate one of Pet Food factory in Q3 2024 and its 2nd Automatic Warehouse project is still in a preparation stage in order to be ready for Pet Food future growth. The total capital expenditure for the year, then, could be at around THB 430 million as AAI Group budgeted. Cash on hand is still enough for AAI Group's investment so that the financial cost expects to be low.