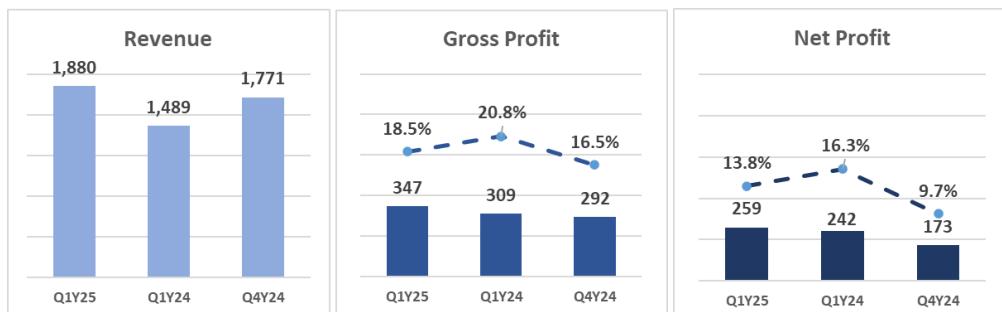


Management Discussion and Analysis

For Q1Y25

Executive Summary

- The company's total revenue for Q1 2025 was 1,880 million Baht, an increase of 26.3% compared to 1,489 million Baht in Q1 2024. This increase was seen in both the pet food and human shelf-stable food businesses. Sales increased by 6.2% compared to 1,771 million Baht in the previous quarter, due to the pet food business, while the human shelf-stable food business saw a slight decrease.
- The company's gross profit for Q1 2025 was 347 million Baht, an increase of 12.2% compared to the same quarter last year, and an increase of 18.7% compared to the previous quarter (Q1 2024: 309 million Baht, Q4 2024: 292 million Baht). The gross profit margin for the quarter was 18.5% (Q1 2024: 20.8%, Q4 2024: 16.5%). The gross profit margin declined compared to the same quarter last year, despite a higher proportion of pet food, due to the impact of the depreciation of the US dollar against the Thai Baht and higher raw material costs, especially tuna. However, the gross profit margin improved compared to the previous quarter due to the higher proportion of pet food.
- Net profit for Q1 2025 was 259 million Baht, an increase of 6.9%, with the operating profit margin decreasing in line with the gross profit margin. Gains from foreign exchange and net financial income decreased compared to the same quarter last year, resulting in a net profit margin of 13.8%. However, compared to the previous quarter, net profit increased by 50%, with the net profit margin improving as the previous quarter had foreign exchange losses and a lower operating profit margin in line with the gross profit margin (Q4 2024 net profit: 173 million Baht, net profit margin: 9.7%).
- The earnings per share for Q1 2025 were 0.12 Baht per share (Q1 2024: 0.11 Baht per share, Q4 2024: 0.08 Baht 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 human shelf-stable food. The company's base factory located in Sumut Sakorn. Currently, original equipment manufacture (OEM) business under clients' international brands generates the majority of revenue from pet food and human shelf-stable

food sales. The key markets for the company's pet food are in the United States, the United Kingdom, and European countries, while the key markets for human shelf-stable food are in Middle Eastern countries and Japan.

Currently, the company has production capacity in Samut Sakhon province, comprising a total wet pet food production capacity of 59,000 tons per year, a total human shelf-stable food production capacity of 17,500 tons per year, and a total by-product (fish meal and fish soluble) production capacity of 6,000 tons per year. Additionally, the company can contract manufacture dry pet food using the production capacity of joint ventures in China and the factory of ASIAN's subsidiary in Phetchaburi province, totaling 36,000 tons per year.

Moreover, the group also produces and sells pet food and snacks under the group's brands, including "monchou", "monchou Balanced", "Hajiko", "Pro", and "Maria".

The company is listed on the Stock Exchange of Thailand in the food and beverage sector under symbolic "AAI" with a registered and paid-up capital of 2,125 million baht (2,125 million shares) and a market capitalization of 10,731 million baht as of March 31, 2025. Asian Sea Corporation Public Company Limited ("ASIAN") is the major shareholder, holding 70% of the shares.

Economic and General Industry Conditions Affecting Operations

The pet food market continues to expand as the population of dogs and cats grows in various regions. This growth is supported by the trend of pet humanization, where pet owners are paying more attention to their pets' health and seeking products suitable for their pets. Although market competition is quite strong due to economic conditions and pet owners' purchasing power in many markets, brand-owning customers still have increasing demand for products. They plan to launch new competitive products in both the premium market, focusing on functional products suitable for pets with specific needs, and the market where pet owners emphasize affordable products.

Brand-owning customers in the United States have not yet adjusted their overall purchase plans for the year, despite concerns about reciprocal tariff uncertainties and trade wars. Meanwhile, the company is preparing to adjust plans with customers. The Brand-owning customers still planned to launch new product continuously throughout the year aiming to offer more choices to pet owner, including cost-reducing, allowing customers to maintain their competitive edge in the U.S. market.

The pet food market in Thailand is relatively stable. Consumers are looking for more affordable products. Brands in Thailand are affected by intense competition from both existing and new competitors, both domestic and international.

The company's human shelf-stable food market remains focused on tuna products in the Middle Eastern region. Tuna prices have risen compared to the previous quarter and remained relatively stable throughout the quarter, influenced by trade wars. Prices are expected to decline in the second quarter of 2025.

Significant Events and Major Developments

- In Q1 2025, the company developed a total of 102 new pet food products for customers, consisting of 84 cat food and 18 dog food. These products include those with complete nutritional value, treats, products suitable for pets with specific needs, and functional products.
- The additional 3,000 tons per year of wet pet food production capacity was completed and launched from the beginning of Q2 2025, bringing the total wet pet food capacity to 59,000 tons per year. The second

automated warehouse investment project started as planned, while the construction of the new production building is still under consideration for design adjustments and is, however, expected to start within 2025 still.

- The company exported its first dry pet food order in March 2025, following the company's strategic plan stepping into OEM dry pet food market using Asian Nutrition Co., Ltd., ASIAN's subsidiaries, as the manufacturer. Dry pet food products under the company's own brand also outsourcing to Asia Nutrition Co., Ltd. as well.
- As of March 31, 2025, the company had a loan to Asian Sea Corporation Public Company Limited of 519 million baht, a slight increase compared to approximately 504 million baht at the end of 2024, with conditions and limits remaining as approved by the shareholders' meeting.
- The 2nd Board of Directors Meeting of 2025 approved a treasury stock program for financial management, with a maximum budget for repurchase not exceeding 312 million baht and a maximum number of shares to be repurchased not exceeding 65 million shares with a par value of 1 baht per share, accounting for 3.06% of the total issued shares. The repurchase will be carried out through automatic matching in the stock exchange trading system from May 28, 2025, to November 28, 2025.

Performance and Profitability Analysis for Q1 2025

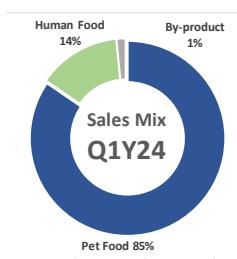
STATEMENT OF INCOME	Q1Y25		Q1Y24		Change	Q4Y24		Change
	Mil. THB	% to sales	Mil. THB	% to sales		Mil. THB	% to sales	
Revenue from Sales & Services	1,880	100.0	1,489	100.0	26.3	1,771	100.0	6.2
Cost of sales & services	(1,533)	(81.5)	(1,180)	(79.2)	30.0	(1,479)	(83.5)	3.7
Gross Profit	347	18.5	309	20.8	12.2	292	16.5	18.7
Operating Expenses	(100)	(5.3)	(87)	(5.9)	14.6	(96)	(5.4)	4.6
Operating Profit	247	13.1	222	14.9	11.2	197	11.1	25.6
Other incomes	26	1.4	13	0.8	106.6	25	1.4	3.9
Gain/(Loss) on FX	12	0.7	21	1.4	(41.0)	(43)	(2.4)	(129.0)
Other expenses	(1)	(0.0)	2	0.1	140.0	3	0.2	(123.6)
Financial cost	6	0.3	11	0.7	(44.3)	7	0.4	(16.7)
Profit before tax	290	15.4	268	18.0	8.3	189	10.7	54.0
Tax expenses	(32)	(1.7)	(26)	(1.8)	21.3	(16)	(0.9)	96.4
Net Profit	259	13.8	242	16.3	6.9	173	9.7	50.0
EPS.	0.12		0.11			0.08		

Revenue from Sales and Services

Sales By Business Segment

	Q1Y25		Q1Y24		Growth
	tons	portion (%)	tons	portion (%)	
Sales Volume	12,493	100.0	9,429	100.0	32.5
Pet Food	10,100	80.8	7,416	78.7	36.2
Human Food	1,530	12.2	1,260	13.4	21.5
By-product	863	6.9	753	8.0	14.6
Revenues	1,887	100.0	1,498	100.0	26.0
Pet Food	1,646	87.2	1,267	84.6	29.8
Human Food	224	11.9	208	13.9	7.6
By-product	18	1.0	23	1.5	(22.3)

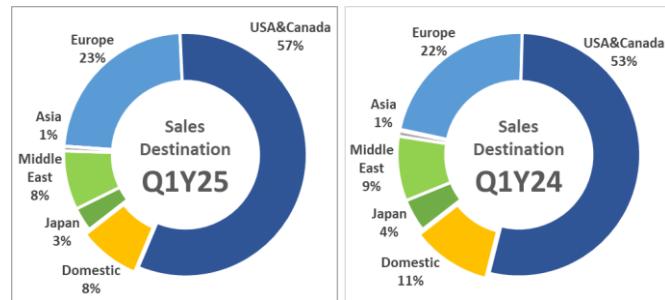
	Q4Y24		Growth
	tons	portion (%)	% QoQ
Sales Volume	11,456	100.0	9.1
Pet Food	9,111	79.5	10.9
Human Food	1,538	13.4	(0.5)
By-product	807	7.0	6.9
Revenues	1,787	100.0	5.6
Pet Food	1,532	85.7	7.4
Human Food	238	13.3	(6.0)
By-product	17	1.0	3.2



*Sales Volume and Revenue include inter-company transactions

In the first quarter of 2025, the company had total sales and service revenues of 1,880 million baht, an increase of 26.3 percent from the same quarter of the previous year. Both pet food sales and human shelf-stable food sales increased significantly, with sales volume of 12,493 tons in the first quarter of 2025 (including intercompany transactions), an increase of 32.5 percent compared to 9,429 tons in the same quarter of the previous year. Compared to the previous quarter, total sales and service revenues increased by 6.2 percent, driven by pet food sales, while sales of human shelf-stable food slightly decreased, reflecting a similar trend in both volume and revenue.

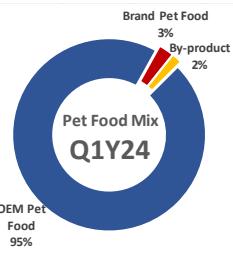
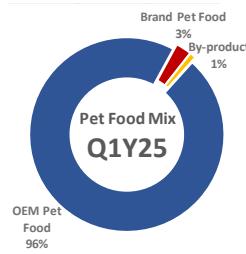
The key markets for the Group remain the United States and Canada, European countries, and Middle Eastern countries.



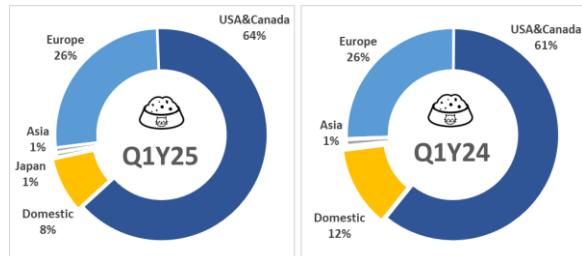
- Pet Food

Pet Food Sales By Segment	Q1Y25		Q1Y24		Growth
	tons	portion (%)	tons	portion (%)	
Sales Volume	10,963	100.0	8,169	100.0	34.2
OEM Pet Food	9,368	85.5	6,869	84.1	36.4
Brand Pet Food	732	6.7	547	6.7	33.8
By-product	863	7.9	753	9.2	14.6
Revenues	1,664	100.0	1,291	100.0	28.9
OEM Pet Food	1,601	96.3	1,233	95.6	29.8
Brand Pet Food	44	2.7	34	2.6	30.0
By-product	18	1.1	23	1.8	(22.3)

Q4Y24	Growth	
	tons	portion (%)
9,918	100.0	10.5
8,524	85.9	9.9
586	5.9	24.8
807	8.1	
1,548	100.0	7.5
1,493	96.5	7.2
37	2.4	19.4
17	1.1	3.2



*Sales Volume and Revenue include inter-company transactions



The sales volume of pet food and by-products for Q1 2025 (including inter-company transactions) was 10,963 tons, an increase of 34.2% compared to 8,169 tons in the same quarter of the previous year. The sales revenue increased by 28.9% to 1,664 million baht. The depreciation of the US dollar during the quarter resulted in a smaller increase in revenue, despite a higher proportion of high-priced products. This was

because the price adjustment to reflect currency changes was slow. The major markets for the pet food business remain the United States and Europe.

Revenue from OEM pet food in Q1 2025 increased by 29.8% compared to the same quarter of the previous year, reaching 1,601 million baht. The sales volume increased by approximately 36.4%. Both revenue and volume increased compared to the previous quarter. Demand from the company's customers owning pet food brands continued to grow, particularly among major clients, with a significant increase in demand compared to the same quarter of the previous year. There was also a demand for new products aligned with pet owners' needs, supporting the growth in both revenue and sales volume despite concerns over US reciprocal tariff.

The company and its customers in the United States have closely discussed and cooperated to minimize the impact of reciprocal tariff, focusing on maintaining the competitive edge for the company's customers in their markets to sustain sales and market share for mutual long-term growth.

Revenues and sales volume of pet food products under the company's brand for Q1 2025 increased significantly compared to the same quarter last year and the previous quarter, reaching approximately 44 million baht. The increase was driven by domestic brand sales. Despite intense competition in the domestic market due to limited purchasing power among pet owners, the company had effective distribution channels and marketing plans that boosted sales. Meanwhile, sales in China were minimal. The group has a policy to reduce staff and expenses,

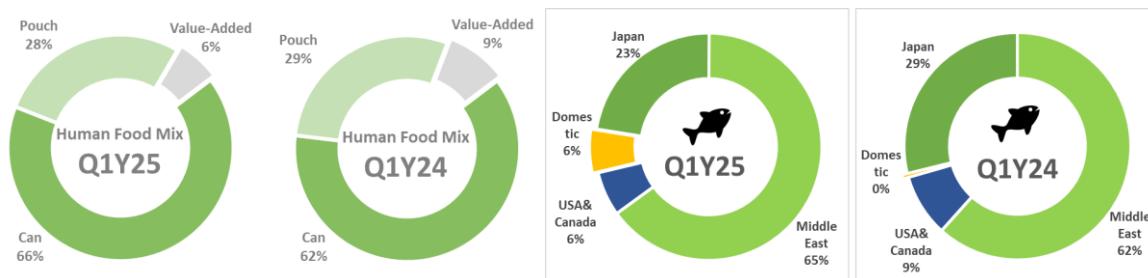
focusing on the OEM segment while studying the market and needs of pet owners in China to adjust plans if the market, economy, and consumer purchasing power in China recover.

By-product products still account for about 1% of total sales, all of which are sold domestically, mainly to Asian Nutrition Co., Ltd., a subsidiary of ASIAN.

- Human Shelf-stable Food

The sales volume of human shelf-stable food for Q1 2025 was 1,530 tons, an increase of 21.5% compared to 1,260 tons in the same quarter of the previous year. Sales revenue increased by 7.6% to 224 million baht. However, the sales volume and revenue slightly decreased compared to the previous quarter. Sales revenue was impacted by the depreciation of the US dollar compared to the baht. The proportion of sales of tuna pouch products and value-added products also decreased even tuna prices were higher compared to the same quarter of the previous year and increased from the previous quarter.

The main market remains the Middle Eastern countries.



Gross Profit

Gross profit for Q1 2025 was 347 million baht, 12.2% increase YoY, and represented 18.5% of revenues, compared to 20.8% from the same period last year. Although pet food sales increased, profit margins were affected by the depreciation of the U.S. dollar against the Thai baht and its fluctuations during the quarter, combined with rising tuna prices. The significant increase in pet food sales led to a lower overall raw material cost.

Compared to the previous quarter, the company's gross profit increased by 18.7%, with an improved gross profit margin due to the higher proportion of the pet food business. While sales increased slightly, they were impacted by currency fluctuations and a slight increase in tuna prices compared to the previous quarter.

Operating expenses

In Q1 2025, the company had operating expenses, which included selling and distribution expenses and administrative expenses, totaling 100 million baht, accounting for 5.3% of sales revenue. This increased slightly from the same quarter of the previous year and the previous quarter. Most of the increase was due to higher selling expenses as sales increased, but the proportion relative to sales revenue decreased (Q1 2024: 5.9%, Q4 2024: 5.4%).

In this quarter, the company group had a foreign exchange gain of approximately 12 million baht, mostly unrealized gains from selling US dollars in advance to manage exchange rate risks during periods of high currency volatility.

Financial cost

Financial costs for Q1 2025 resulted in net financial income of approximately 6 million baht. The company incurred interest expenses of around 3 million baht from leases over 3 years, while earning interest income of

about 9 million baht from loans to Asian Sea Corporation Public Company Limited and bank deposits. This was a decline compared to the same quarter and previous quarter due to lower deposit interest rates and the loan amount to Asian Sea Corporation Public Company Limited, as well as the loan interest rate calculated in line with the 1-month bond interest rate for BBB-rated bonds from ThaiBMA.

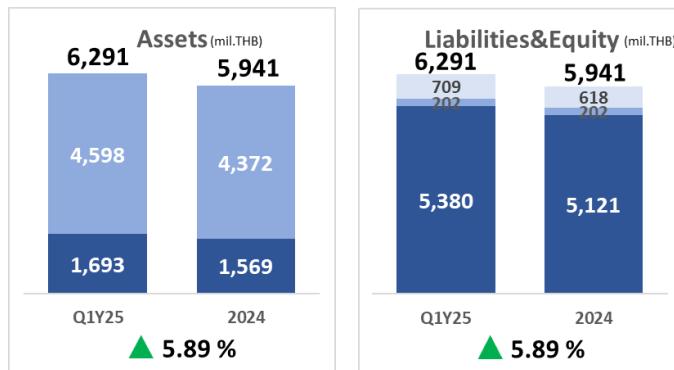
Tax expense (income)

In Q1 2025, the group recorded a tax expense of 32 million THB, reflecting an effective tax rate of approximately 10.9%. This is an increase compared to the same quarter of the previous year and the previous quarter, where the effective tax rates were 9.7% and 8.6%, respectively, due to tax benefits received from investment promotion for certain products.

Net Profit and Earning per Share

For Q1 2025, net profit of AAI Group was at 259 million baht, 6.9% increased YoY, net profit margin was at 13.8% (Q1 2024: 16.3%, Q4 2024: 9.7%). Earnings per share for Q1 2025 was 0.12 baht per share (Q1 2024: 0.11 baht per share, Q4 2024: 0.08 baht per share).

Financial Position as of 31 March 2025 versus 31 December 2024



Total Assets

As of March 31st, 2025, AAI total assets were at 6,291 million baht, 350 million baht increased, accounted for 5.9%, from 5,941 million baht at the end of 2024. Cash on hand increased by 278 million baht. Account receivables and inventories decreased slightly despite increased sales. Loans to related companies and others current assets also increased a bit compared to last year.

Property, plant, and equipment totaled 1,458 million baht as of March 31st, 2025, 98 million baht increased compared to the end of last year.

Total Liabilities

The total liabilities of AAI were 910 million baht as of March 31st, 2025, increased by 91 million baht compared to the end of 2024 due to Trade payable. AAI also have no interest-bearing debt at the end of the period.

Total Shareholders' equity

As of 31st March 2025, shareholders' equity of AAI rose to 5,380 million baht, 260 million baht increase from the end of last year, which mainly were profit during the period.

Statement of Financial Position (mil.THB)	Q1Y25	%	FY24	%	% Chg
Cash and cash equivalent	1,127	17.9	849	14.3	32.74
Trade and other receivables	1,151	18.3	1,180	19.9	-2.5
Short-term Loan to Related party	519	8.2	504	8.5	2.9
Inventories	1,381	21.9	1,450	24.4	-4.8
Other current assets	421	6.7	389	6.5	8.3
Total current assets	4,598	73.09	4,372	73.6	5.18
Investments	6	0.1	7	0.1	-10.9
Long term Loan to JV & Association	2	0.0	1	0.0	19.6
Fixed assets	1,458	23.2	1,360	22.9	7.2
Other non current assets	227	3.6	202	3.4	12.9
Total non current assets	1,693	26.91	1,569	26.4	7.9
Total Assets	6,291	100.0	5,941	100.0	5.9
Bank overdraft and short-term loans	0	0.0	0	0.0	0.0
Trade and other payables	607	9.7	534	9.0	13.7
Current portion of long-term loans & Leases	14	0.2	8	0.1	81.4
Other current liabilities	88	1.4	76	1.3	14.5
Total current liabilities	709	11.3	618	10.4	14.7
Long term Loan	0	0.0	0	0.0	n/a
Other non current liabilities	202	3.2	202	3.4	0.1
Total non current liabilities	202	3.2	202	3.4	0.1
Total Liabilities	910	14.5	820	13.8	11.1
Total shareholders' equity	5,380	85.5	5,121	86.2	5.1
Total Liabilities and Equity	6,291	100.0	5,941	100.0	5.9

Cash Flow

Cash Flow Statement (Mil.THB)	Q1Y25	Q1Y24	Change	Cash Flow Statement (Mil.THB)	Q1Y25	Q1Y24	Change
Cash flow from operating activities							
Profit before tax	292	268	24	Dividend received	2	-	
Adjustments for:				Purchases of property, plant and equipment	(93)	(41)	(52)
Depreciation & Amortisation	60	54	7	Proceed of sales equipments and investment property	0	0	0
Loss from impairment on investment	4	0	4	Decrease in short term loan to Head Quarter (Increase)	(15)	63	(78)
Other adjustments	(5)	7	(12)	Net cash flows from (used in) investing activities	(105)	23	(127)
Unrealize loss (gain) on exchange rate	(21)	4	(26)	Cash flow from financing activities			
Financial cost, net	(6)	(11)	5	Repayment of bank borrowings	-	-	-
Operating profit before working capital changes	324	323	1	Repayment of lease liabilities	(15)	(14)	(1)
Decrease (increase) in operating assets	61	(213)	274	Dividend paid	(0)	(0)	-
Increase (decrease) in operating liabilities	10	(20)	31	Net cash flows used in financing activities	(15)	(14)	(1)
Cash from operating activities	396	90	306	Effect of foreign exchange rate changes	0	2	(2)
Interest net paid	1	6	(4)	Net increase (decrease) in cash and cash equivalents	278	105	172
Income tax net paid	(0)	(0)	0	Cash and cash equivalents at beginning of period	849	931	(82)
Net cash flows from operating activities	397	95	302	Cash and cash equivalents at end of period	1,126	1,037	90

Operating activities

Working Capital	Q1Y25	Q1 Y24	Change
	mil.THB	mil.THB	YoY
Inventories	1,381	1,393	(12)
Trade receivables	1,079	941	138
Other receivables	591	829	(238)
Cash & Other current assets	1,547	1,134	414
Trade payables	(383)	(328)	(55)
Other Payable	(325)	(203)	(122)
Net Working Capital	3,889	3,765	124
INV Days	87	110	(23)
AR Days	54	62	(8)
AP Days	24	26	(2)

The company had cash flows from operating activities before changes in operating assets and liabilities for Q1 2024 and 2025 amounting to THB 323 million and THB 324 million, respectively. The changes in cash flow were mainly due to changes in operating profits during the period. While cash flows from changes in operating assets and liabilities for Q1 2025 resulted from increases in cash and other current assets, accounts receivable increased slightly, small change in inventory despite increase sales due to more efficient delivery. Loans to the parent company decreased significantly. Trade payables and other

payables also increased, resulting in net cash inflows from operating activities for Q1 2025 ending on March 31, 2025, of approximately THB 397 million, compared to THB 95 million for Q1 2024.

As of March 31, 2025, the number of days of accounts receivable and inventory holding period were 54 days and 87 days, respectively, significantly improved compared to the same period last year. This improvement was due to the impact of delayed orders in 2023 from an inventory overflow in the destination market, while in Q1 2024, exports were faster due to increased customer demand and normalized maritime transport conditions.

Investing activities

The company had cash outflows for investing activities for the first quarter ended March 31, 2025, amounting to 105 million Baht. This included 93 million Baht invested in buildings and equipment according to the company's investment plan, 15 million Baht increase in loans to the parent company, Asian Sea Corporation Public Company Limited, and approximately 2 million Baht received as dividends from joint ventures. In the same quarter of the previous year, the company had cash inflows from investing activities of approximately 23 million Baht, mainly due to a 63 million Baht decrease in loans to the parent company, offset by approximately 41 million Baht invested in machinery to improve efficiency.

Financing activities

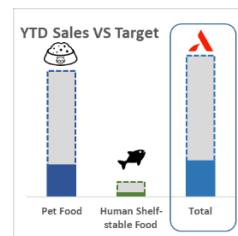
The company had cash outflows for financing activities in the first quarter ended March 31, 2024 and 2025 amounting to 14 million baht and 15 million baht, respectively, mainly due to the repayment of lease liabilities.

Key Financial Ratios

	Q1Y25	Q1Y24	Q1Y23	Q4Y24		Q1Y25	Q1Y24	Q1Y23	Q4Y24
Growth Rates									
Sales Growth	26.3%	7.1%	-15.7%	18.5%	Return on equity*	19.0%	10.8%	14.7%	19.6%
Net Profit Growth	6.9%	234.8%	-60.0%	3.8%	Return on assets**	16.2%	9.5%	13.0%	16.9%
Leverage and Liquidity Ratios									
Current ratio	6.5	8.1	8.9	7.1	Gross profit margin	18.5%	20.8%	9.3%	16.5%
Quick or acid test ratio	3.9	5.3	5.3	4.1	* Using last 4 consecutive quarters net profit divided by end quarter equity				
Debt to equity ratio	0.2	0.1	0.1	0.2	** Using last 4 consecutive quarters net profit divided by end quarter total assets				
Net Debt to equity ratio	(0.2)	(0.2)	(0.3)	(0.2)	*** Using last 4 consecutive quarters sales divided by end quarter total assets				

Q1 2025 Performance VS. Targets and Y2025 Outlook

SALES TARGET	2024		2025 Target		Growth	2025 YTD		Progress
	Bil. THB	%	Bil. THB	%		Bil. THB	%	
Pet Food	6.0	86.9%	6.6	89.1%	11.4%	1.7	88.1%	25.0%
Human Shelf-stable Food	0.9	13.1%	0.8	10.9%	-8.8%	0.2	11.9%	27.4%
Total	6.8	100.0%	7.4	100.0%	8.8%	1.9	100.0%	25.2%
Consolidated GP	20.4%	18-20%				18.5%		



The chart shows YTD Sales (Actual) and YTD Sales (Target) for Pet Food and Human Shelf-stable Food. The Pet Food segment is slightly below target, while the Human Shelf-stable Food segment is slightly above target.

Segment	Actual (Bil. THB)	Target (Bil. THB)
Pet Food	1.7	1.8
Human Shelf-stable Food	0.2	0.18
Total	1.9	1.98

The performance for Q1 2025 indicates that the company met its sales targets, both in the pet food segment and human shelf-stable food segment. The growth is in line with the long-term plan, which focuses on expanding the pet food business while optimizing the use of tuna and labor in the human shelf-stable food business. The gross profit margin remains on target, despite being affected by exchange rate fluctuations and rising tuna prices.

The company has not adjusted the sales and profit margins targets for 2025, even though trade wars and reciprocal tariffs from the U.S. are expected to impact sales and profit margins for the rest of the year,

particularly in the pet food segment. The uncertainty of the tariffs leads U.S. customers to wait for clearer measures before making any decision. The company is closely communicating with customers to plan accordingly if tariffs increase from the current 10%. However, the cost of tuna is improving, and prudent exchange rate risk management according to company policy is expected to mitigate some of the impacts.

The company has allocated an investment budget of approximately 1,015 million baht for 2025, with the second automated warehouse construction already underway. The new production building project is still being adjusted and considering additional factors. The company has sufficient excess cash flow for planned investments and can also use excess cash for the treasury stock program approved by the board of directors. It is believed that there will be no need for additional financing through loans, keeping the cost of capital low. However, there may be a reduction in income from bank deposits and loans to the parent company.