



Date 10 May 2023

Subject Discussion and Analysis of the Company's Performance

For the Three-Month Period Ended 31 March 2023

To President of the Stock Exchange of Thailand

Enclosure

Management Discussion and Analysis of the Company's Performance from the Interim Financial Reporting for the Three – Month Period Ended 31 March 2023, in Thai and English, one copy for each

Thai Eastern Group Holdings Public Company Limited ("the Company") would like to submit the interim financial reporting for the three-month ended 31 March 2023, which was reviewed by certified public accountants to the Stock Exchange of Thailand.

According to the Company's performance stated in the interim financial reporting for the three-month ended 31 March 2023, it had a net profit of 102.60 million baht. In this regard, the Company would like to explain the reasons for its performance stated in the interim financial reporting for the three-month ended 31 March 2023, details of which appear as attached.

Please be informed accordingly.

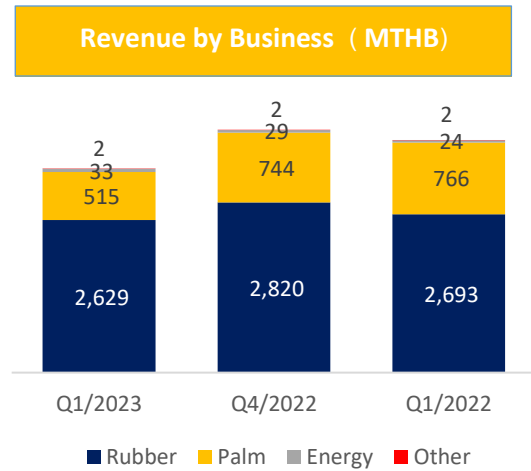
Respectfully yours,

A handwritten signature in blue ink, appearing to be "K. Kamolthip", written in a cursive style.

Dr. Kamolthip Komolyudtaphaet
(Chief Financial Officer)

Management Discussion and Analysis for the Three-Month Ended 31 March 2023
Thai Eastern Group Holdings Public Company Limited
Overview of The Group's Business Performance

For the three-month ended 31 March 2023, the Group's revenues from the sale of goods and rendering of services comparison QoQ decreased by 417.40 million baht or 11.61%, and comparison YoY decreased by 307.91 million baht or 8.83%, the proportion of the each business for Quarter 1/2023, are consisted by the revenue of natural rubber business 83%, crude palm oil business 16% and renewable energy and organic waste management business 1%.


Statement of Comprehensive Income : Comparison for the Three - Month Period

(Unit : MTHB)	1Q23	4Q22	% QoQ	1Q22	% YoY
Revenues from sales of goods and services	3,177.95	3,595.35	-11.61%	3,486.53	-8.85%
Cost of sales and services	2,854.97	3,219.45	-11.32%	3,197.93	-10.72%
Gross Profit	322.98	375.90	-14.08%	288.60	11.91%
Other Revenue	6.19	7.07	-12.44%	9.11	-32.05%
Selling and distribution expenses	141.42	178.33	-20.70%	73.91	91.34%
Administrative expenses	60.20	66.17	-9.02%	51.16	17.66%
Gain on exchange rates	5.98	20.05	-70.17%	9.94	-39.83%
Share of profit from investments in joint ventures	4.00	25.21	-84.13%	10.57	-62.13%
EBIT	137.54	183.74	-25.14%	193.15	-28.79%
Finance income	2.78	4.79	-41.95%	1.03	169.49%
Finance cost	29.44	29.00	1.53%	32.41	-9.14%
Income tax	8.27	(3.31)	-350.13%	5.76	43.55%
Profit for the period	102.60	162.83	-36.99%	156.02	-34.24%

Revenues from sales of goods and services
Revenue from natural rubber business

For the Q1/2023 , Q4/2022 and Q1/2022, the Group's revenues from the natural rubber business were at 2,628.87 million baht 2,819.51 million baht and 2,693.44 million baht respectively. Most of the revenue of this business were from the production and distribution of block rubber. This can be summarized as the table below:

Revenue from Natural Rubber Business	For Three-Month Ended					
	31 March 2023		31 December 2022		31 March 2022	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
1. Revenue from the Sale of Block Rubber	2,480.15	94.34	2,657.11	94.24	2,514.88	93.37
2. Revenue from the Sale of Concentrated Latex	141.59	5.39	154.03	5.46	174.14	6.47
3. Others	7.13	0.27	8.37	0.30	4.42	0.16
Total Revenue from Natural Rubber Business	2,628.87	100.00	2,819.51	100.00	2,693.44	100.00

Notes: ⁽¹⁾ Percentage of the total revenue from natural rubber business

For the three-month period comparison QoQ, the Group's revenue from natural rubber business decreased by 190.65 million baht or 6.76% and compare YoY, revenue from natural rubber business decreased by 64.57 million baht or 2.40%, Such change was mainly due to:

- the sale of block rubber comparison QoQ decreased by 176.96 million baht or 6.66% and compare YoY decrease 34.73 million baht which were resulted from (a) a higher sales volume as the tire industry has recovered along with the gradual global economy recovery ; and (b) and decrease in the average selling price.
- the sale of concentrated latex compare QoQ decrease by 12.45 million baht or 8.06% which was primarily resulted from (a) a decreased in sales volume according to the quantity of latex market in Q1/2023 is less. While the selling price slightly increased. In comparison, YoY decreased by 32.55 million baht or decreased by 18.69% due to both volume and selling price decreased.

Revenue from crude palm oil business

For the Q1/2023 , Q4/2022 and Q1/2022, the Group's revenues from crude palm oil business were at 514.70 million baht 744.17 million baht and 765.76 million baht respectively. Most of this revenue were from the production and distribution of crude palm oil which can be summarized as follows:

Revenue from Crude Palm Oil Business	For Three-Month Ended					
	31 March 2023		31 December 2022		31 March 2022	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Crude Palm Oil	416.36	80.89	467.82	62.86	497.44	64.96
Kernel	25.41	4.94	88.37	11.88	25.61	3.34
Crude Palm Kernel Oil	59.93	11.64	167.94	22.57	220.50	28.80
Others	13.00	2.53	20.04	2.69	22.21	2.90
Total Revenue from Crude Palm Oil Business	514.70	100.00	744.17	100.00	765.76	100.00

Notes: ⁽¹⁾ Percentage of the total revenue from crude palm oil business

For the three-month period comparison QoQ, the Group's revenue from the crude palm oil business decreased by 229.47 million baht or 30.84%, and comparison YoY , the Group's revenue decreased by 251.06 million baht or 32.79%, Such change was primarily due to:

- The revenue from the sale of crude palm oil comparison QoQ decreased mainly as a result of a sales volume of crude palm oil decreased and a lower average selling price of crude palm oil in accordance with the market price. And comparison YoY mainly as a result of sales volume of crude palm oil increased and a lower average selling price of crude palm oil in accordance with the market price.
- (1) The revenue from the sale of crude palm kernel oil comparison QoQ decreased mainly as a result of a sales volume of crude palm keener decreased ,while a lower average selling price of crude palm keener oil in accordance with the marker price.

Revenue renewable energy and organic waste management business

For the Q1/2023 , Q4/2022 and Q1/2022, the Group's revenues from the renewable energy and organic waste management business were at 32.86 million baht 29.36 million baht and 24.39 million baht respectively, most of which were from the revenue from organic waste management service. This can be summarized as follows:

Renewable Energy and Organic Waste Management Business	For Three-Month Ended					
	31 March 2023		31 December 2022		31 March 2022	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Organic Waste Management Service	23.01	70.03	20.19	68.77	17.84	73.13
Biogas ⁽²⁾	2.22	6.77	2.07	7.06	0.15	0.62
Electricity Generation from Biogas	7.63	23.20	7.10	24.17	6.40	26.25
Total Revenue from Renewable Energy and Organic Waste Management Business	32.86	100.00	29.36	100.00	24.39	100.00

Notes: ⁽¹⁾ Percentage of the total revenue from renewable energy and organic waste management business.

For the three-month period comparison QoQ, the Group's revenues from the renewable energy and organic waste management business increased by 3.50 million baht or 11.93%, and comparison YoY, the Group's revenue increased by 8.47 million baht or 34.72% , which the change in revenue was caused by (a) an increased amount of organic waste being managed following a higher demand of existing customers as well as new customers; and (b) a higher average service fee as the Group has increased its standard service fee for both existing and new customers.

Costs of Sales and Services

For the Q1/2023 , Q4/2022 and Q1/2022, the Group's costs of sales and services were at 2,854.97 million baht , 3,219.45 million baht and 3,197.93 million baht respectively, comparison QoQ decreasing by 364.48 million baht or 11.32% and comparison YoY decreased 342.96 million baht or 10.72% . The costs of sales and services can be grouped by type of business as follows:

Costs of Sales and Services	For Three-Month Ended					
	31 March 2023		31 December 2022		31 March 2022	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Cost of Natural Rubber Business	2,332.97	81.72	2,467.05	76.63	2,295.27	71.77
Cost of Crude Palm Oil Business	492.38	17.25	717.96	22.30	867.59	27.13
Cost of Renewable Energy and Organic Waste Management Business	30.45	1.07	24.94	0.77	35.46	1.11
Other Costs of Sales and Services ⁽²⁾	(0.83)	(0.03)	9.50	0.30	(0.39)	(0.01)
Total Costs of Sales and Services	2,854.97	100.00	3,219.45	100.00	3,197.93	100.00

Notes: ⁽¹⁾ Percentage of the total costs of sales and services.

⁽²⁾ Other costs mainly comprise the cost of transportation service.

(1) Natural rubber business

Major costs in the natural rubber business include a raw material cost, a labor cost, an energy cost, and depreciation and amortization. Comparison QoQ, the Group's cost of natural rubber business decreased by 134.08 million baht or 5.43% mainly due to decreased in para rubber price and comparison YoY, the Group's cost of natural rubber business decreased by 37.70 million baht or 1.64% mainly due to a higher cost resulted from higher volume and increase in para rubber price.

(2) Crude palm oil business

Major costs in the crude palm oil business include a raw material cost, a labor cost, and depreciation and amortization. Comparison QoQ, the Group's cost of crude palm oil business decreased by 225.58 million baht or 31.42% and comparison YoY, the Group's cost of crude palm oil business decreased by 375.21 million baht or 43.25% mainly due to (a) a lower raw material cost resulting from an decreasing market price of fresh fruit bunch and palm kernel and (b) an increase in machinery maintenance

(3) Renewable energy and organic waste management business

Major costs in the renewable energy and organic waste management business include a raw material transportation cost, a labor cost, a maintenance cost and depreciation and amortization. Comparison QoQ, the Group's cost of business increased by 5.51 million baht or 22.08% mainly due to (a) a higher transportation expense (b) a rental and (c) a machinery maintenance. Comparison YoY, the Group's cost of business decreased by 5.01 million baht or 14.14% mainly due to decreased in machinery maintenance.

Gross Profit

For the Q1/2023, Q4/2022 and Q1/2022, the Group had gross profits at 322.98 million baht, 375.90 million baht and 287.93 million baht respectively, equaling to gross profit margins of 10.16%, 10.46% and 8.26% respectively. The table below summarized the gross profits.

Gross Profit	For Three-Month Ended					
	31 March 2023		31 December 2022		31 March 2022	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Natural Rubber Business	295.90	11.26	352.46	12.50	398.17	14.78
Crude Palm Oil Business	22.31	4.34	26.21	3.52	(101.83)	(13.30)
Renewable Energy and Organic Waste Management Business	2.41	7.34	4.42	15.06	(11.06)	(45.36)
Other Businesses	2.36	154.25	(7.19)	(311.62)	2.66	116.98
Total Gross Profit	322.98	10.16	375.90	10.46	287.93	8.26

Notes: ⁽¹⁾ Percentage of the total revenue from sales of each business

(1) Natural rubber business

For the Q1/2023 , Q4/2022 and Q1/2022, the gross profit margins of the natural rubber business were at 11.26% 12.50% and 14.78% respectively. Such increase was mainly caused by few increase in sales volume and decrease in selling price.

(2) Crude palm oil business

For the Q1/2023 , Q4/2022 and Q1/2022, the gross profit (loss) margins of the crude palm oil business were at 4.34% , 3.52% and (13.30)% respectively. Comparison QoQ such increased mainly caused by decreased in machinery maintenance and comparison YoY such decreased mainly caused by sales volume increased in accordance with the market of crude palm oil business.

(3) Renewable energy and organic waste management business

For the Q1/2023 , Q4/2022 and Q1/2022, the gross profit margins of this business were at 7.34% 4.42% and (45.36)% respectively mainly resulted from (a) an increased amount of organic waste and (b) a higher average service fee.

Sales and Distribution Expenses

Most of the Group's sales and distribution expenses include contributions to the Rubber Replanting Aid Fund, transportation expense and export expense. For the Q1/2023 , Q4/2022 and Q1/2022, the Group's sales and distribution expenses were at 141.42 million baht 178.33 million baht and 73.91 million baht respectively. Comparison QoQ sales and distribution expenses decreased by 36.91 million baht or 20.70% mainly due to a lower export volume and comparison YoY sales and distribution expenses increased at 67.51 million baht or 91.34% , mainly due to higher contributions to the Rubber Replanting Aid Fund which was in line with a higher export volume, and a higher transportation expense because of an increase in price in the global oil market and change in incoterms of some customer by at DAP (Delivered at Place).

Administrative Expenses

Most of the Group's administrative expenses include employee benefits expense, service fee and depreciation and amortization. For the Q1/2023 , Q4/2022 and Q1/2022, the Group's administrative expenses

were at 60.20 million baht 66.17 million baht and 51.16 million baht respectively. Comparison QoQ the Group's administrative expenses decreased by 5.97 million baht or 9.02% mainly due to an decrease in the employee benefits expense and increase in research and development expenses , comparison YoY the Group's administrative expenses increased by 9.04 million baht or 17.67% mainly due to an increase in the employee benefits expense and increase in research and development expenses

Net Profit and Net Profit Margin

For the Q1/2023 , Q4/2022 and Q1/2022,, the Group's net profits were at 102.60 million baht 162.83 million baht and 156.02 million baht respectively, comparison QoQ decreasing by 60.23 million baht or 36.99% and comparison YoY decreasing by 53.42 million baht or 34.24%. was resulted from decrease in the average selling price.

Analysis of the Group's Financial Position

Assets

Comparing as at 31 March 2023 and as at 31 December 2022, the total assets increased by 648.71 million baht or 9.35% since the trade account and other receivables decreased by 291.61 million baht following a decrease in the revenue from the sales , inventory decreased by 245.84 million baht and an increase in the land, building and equipment of 124.56 million baht which was caused by the construction for production capacity expansion of EQR and TEI and Renewable energy and organic waste management business has construction of Biogas Zone 3

Liabilities

Comparing as at 31 March 2023 and 31 December 2022, the total liabilities decreased by 751.31 million baht or 20.35% mainly due to a decrease in bank overdrafts and short-term borrowings from financial institutions.

Equity

As at 31 March 2023 and 31 December 2022, the Group's equities were at 3,348.23 million baht and 3,245.63 million baht respectively, increasing by 102.60 million baht or 3.16%. Such increase was mainly due to quarterly profit recognition.