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Date 10 November 2023

Subject Discussion and Analysis of the Company's Performance

For the Nine-Month Period Ended 30 September 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 Nine – Month Period Ended 30 September 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 nine-month ended 30 September 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 nine-month ended 30 September 2023, it had a net profit of 146.50 million baht. In this regard, the Company would like to explain the reasons for its performance stated in the interim financial reporting for the nine-month ended 30 September 2023, details of which appear as attached.

Please be informed accordingly.

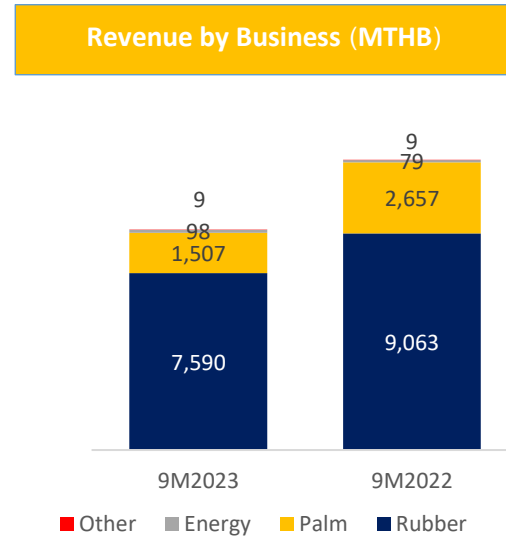
Respectfully yours,

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

Dr. Kamolthip Komolyudtaphaet  
(Chief Financial Officer)

**Management Discussion and Analysis for the Nine-Month Ended 30 September 2023**
**Thai Eastern Group Holdings Public Company Limited**
**Overview of The Group's Business Performance**

For the nine-month ended 30 September 2023, the Group's revenues from the sale of goods and rendering of services was 9,204.38 million baht or 22.05%, decrease the proportion of the each business for 9 months for Y2023, are consisted of 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 Nine - Month Period**

( Unit : MTHB )	9M2023	9M2022	%YoY
Revenues from sales of goods and services	9,204.38	11,807.97	-22.05%
Cost of sales and services	8,356.61	10,598.98	-21.16%
Gross Profit	<b>847.77</b>	<b>1,208.99</b>	-29.88%
Other Revenue	25.06	39.49	-36.53%
Selling and distribution expenses	404.91	373.02	8.55%
Administrative expenses	162.78	163.31	-0.33%
Gain on exchange rates	57.50	125.89	-54.33%
Share of profit from investments in joint ventures	(2.80)	36.32	-107.72%
EBIT	<b>244.84</b>	<b>622.59</b>	-60.67%
Finance income	6.09	5.38	13.19%
Finance cost	86.07	95.22	-9.61%
Income tax	18.37	11.53	59.33%
Profit for the period	<b>146.50</b>	<b>521.22</b>	-71.89%

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

For the nine-month period ended 30 September 2023 and 2022, the Group's revenues from the natural rubber business were at 7,589.72 million baht and 9,063.03 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 Nine-Month Ended			
	30 September 2023		30 September 2022	
	MTHB	Percent <sup>(1)</sup>	MTHB	Percent <sup>(1)</sup>
<b>1. Revenue from the Sale of Block Rubber</b>	7,238.88	95.38	8,550.54	94.35
<b>2. Revenue from the Sale of Concentrated Latex</b>	331.27	4.36	500.25	5.52
<b>3. Others</b>	19.57	0.26	12.24	0.13
<b>Total Revenue from Natural Rubber Business</b>	<b>7,589.72</b>	<b>100.00</b>	<b>9,063.03</b>	<b>100.00</b>

Notes: <sup>(1)</sup> Percentage of the total revenue from natural rubber business

For the nine-month periods ended 30 September 2023 and 2022, the Group's revenue from natural rubber business decreased by 1,473.31 million baht or 16.26%, however, such change was mainly due to:

- the sale of block rubber decreased by 1,311.66 million baht or 15.34%, which were resulted from (a) a higher sales volume as the tire industry has recovered along with the gradual global economy recovery ; and (b) decrease in the average selling price.
- the sale of concentrated latex decrease by 168.98 million baht or 33.78%, due to both volume and selling price decreased.

#### Revenue from crude palm oil business

For the nine-month period ended 30 September 2023 and 2022, the Group's revenues from crude palm oil business were at 1,507.05 million baht and 2,661.35 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 Nine-Month Ended			
	30 September 2023		30 September 2022	
	MTHB	Percent <sup>(1)</sup>	MTHB	Percent <sup>(1)</sup>
Crude Palm Oil	1,155.09	76.65	1,577.90	59.29
Kernel	26.77	1.78	230.36	8.66
Crude Palm Kernel Oil	270.19	17.93	763.50	28.69
Others	55.00	3.64	89.59	3.36
<b>Total Revenue from Crude Palm Oil Business</b>	<b>1,507.05</b>	<b>100.00</b>	<b>2,661.35</b>	<b>100.00</b>

Notes: <sup>(1)</sup> Percentage of the total revenue from crude palm oil business

For the nine-month period ended 30 September 2023 and 2022, the Group's revenue from the crude palm oil business decreased by 1,154.30 million baht or 43.37%, Such change was primarily due to:

- The revenue from the sale of crude palm oil decreased 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.
- The revenue from the sale of crude palm kernel oil decreased mainly as a result of a sales volume of crude palm kernel decreased and a lower average selling price of crude palm kernel oil in accordance with the marker price.

### Revenue renewable energy and organic waste management business

For the nine-month period ended 30 September 2023 and 2022, the Group's revenues from the renewable energy and organic waste management business were at 98.26 million baht and 79.18 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 Nine-Month Ended			
	30 September 2023		30 September 2022	
	MTHB	Percent <sup>(1)</sup>	MTHB	Percent <sup>(1)</sup>
Organic Waste Management Service	74.18	75.49	57.83	73.03
Biogas	2.22	2.26	1.51	1.91
Electricity Generation from Biogas	21.86	22.25	19.84	25.06
<b>Total Revenue from Renewable Energy and Organic Waste Management Business</b>	<b>98.26</b>	<b>100.00</b>	<b>79.18</b>	<b>100.00</b>

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

For the nine-month period ended 30 September 2023 and 2022, the Group's revenues from the renewable energy and organic waste management business increased by 19.08 million baht or 24.10%, 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 nine-month period ended 30 September 2023 and 2022, the Group's costs of sales and services were at 8,356.61 million baht and 10,598.98 million baht respectively, decreasing by 2,242.36 million baht or 21.16%. The costs of sales and services can be grouped by type of business as follows:

Costs of Sales and Services	For Nine-Month Ended			
	30 September 2023		30 September 2022	
	MTHB	Percent <sup>(1)</sup>	MTHB	Percent <sup>(1)</sup>
Cost of Natural Rubber Business	6,843.82	81.90	7,817.56	73.76
Cost of Crude Palm Oil Business	1,435.05	17.17	2,703.19	25.50

Costs of Sales and Services	For Nine-Month Ended			
	30 September 2023		30 September 2022	
	MTHB	Percent <sup>(1)</sup>	MTHB	Percent <sup>(1)</sup>
Cost of Renewable Energy and Organic Waste Management Business	80.39	0.96	73.85	0.70
Other Costs of Sales and Services	(2.65)	(0.03)	4.38	0.04
<b>Total Costs of Sales and Services</b>	<b>8,356.61</b>	<b>100.00</b>	<b>10,598.98</b>	<b>100.00</b>

Notes: <sup>(1)</sup> Percentage of the total costs of sales and services.

### (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. Regarding the nine-month periods ended 30 September 2023 and 2022, the Group's cost of natural rubber business decreased by 973.73 million baht or 12.46% mainly due to decreased 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. Regarding the nine-month periods ended 30 September 2023 and 2022, the Group's cost of crude palm oil business decreased by 1,268.14 million baht or 46.91% mainly due to a lower raw material cost resulting from a decreasing market price of fresh fruit bunch and palm kernel.

### (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. Regarding the nine-month periods ended 30 September 2023 and 2022, the Group's cost of business increased by 6.54 million baht or 8.86% mainly due to increase in (a) a higher transportation expense (b) a rental and (c) a depreciation.

### Gross Profit

For the nine-month period ended 30 September 2023 and 2022, the Group had gross profits at 847.77 million and 1,208.99 million baht respectively, equaling to gross profit margins of 9.21% and 10.24% respectively. The table below summarized the gross profits.

Gross Profit	For Nine-Month Ended			
	30 September 2023		30 September 2022	
	MTHB	Percent <sup>(1)</sup>	MTHB	Percent <sup>(1)</sup>
Natural Rubber Business	745.90	87.98	1,245.47	103.02
Crude Palm Oil Business	72.00	8.49	(46.32)	(3.83)
Renewable Energy and Organic Waste Management Business	17.87	2.11	5.33	0.44
Other Businesses	12.00	1.42	4.51	0.37
<b>Total Gross Profit</b>	<b>847.77</b>	<b>100.00</b>	<b>1,208.99</b>	<b>100.00</b>

Notes: <sup>(1)</sup> Percentage of the total revenue from sales of each business

**(1) Natural rubber business**

For the nine-month period ended 30 September 2023 and 2022, the gross profit proportion of the natural rubber business were at 87.98% and 103.02% respectively. Such was mainly caused by the difference between the prices of block rubber and cup lump rubber decreasing.

**(2) Crude palm oil business**

For the nine-month period ended 30 September 2023 and 2022, the gross profit (loss) proportion of the crude palm oil business were at 8.49% and -3.83% respectively. Mainly caused by improvements in production efficiency.

**(3) Renewable energy and organic waste management business**

For the nine-month period ended 30 September 2023 and 2022, the gross profit proportion of this business were at 2.11% and 0.44% respectively mainly resulted from (a) an increased amount of organic waste and (b) a higher average service fee so the revenue are increased while most of expenses are fixed cost.

**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 nine-month period ended 30 September 2023 and 2022, the Group's sales and distribution expenses were at 404.91 million baht and 373.02 million baht respectively. increased by 31.89 million baht or 8.55%, mainly due to higher export expense because of a change in incoterms of some customer by at DAP (Delivered at Place) started on Q2/2022.

**Administrative Expenses**

Most of the Group's administrative expenses include employee benefits expense, service fee and depreciation and amortization. For the nine-month period ended 30 September 2023 and 2022, the Group's administrative expenses were at 162.78 million baht and 163.31 million baht respectively. Which decreased by 0.53 million baht or 0.33% mainly due to an increase in research and development expenses and decrease in employee expenses and depreciation.

**Net Profit and Net Profit Margin**

For the nine-month period ended 30 September 2023 and 2022, the Group's net profits were at 146.50 million baht 521.22 million baht respectively, decreasing by 374.72 million baht or 71.89%, was resulted from decrease in the average selling price.

## **Analysis of the Group's Financial Position**

### **Assets**

Comparing as at 30 September 2023 and as at 31 December 2022, the total assets increased by 528.83 million baht or 7.62% , since cash and cash equivalent decreased by 136.48 million baht because there is a dividend payment in the year 2023 , the trade account and other receivables decreased by 266.70 million baht following a decrease in the revenue from the sales , inventory decreased by 280.05 million baht because storage quantity of raw material decrease and an increase in the land, building and equipment of 218.77 million baht which was caused by the construction for production capacity expansion of EQR and Renewable energy and organic waste management business has construction of Biogas Zone 3

### **Liabilities**

Comparing as at 30 September 2023 and 31 December 2022, the total liabilities decreased by 394.53 million baht or 10.68% mainly due to a decrease in bank overdrafts and short-term borrowings from financial institutions in according to the decrease in trade receivables and inventory.

### **Equity**

As at 30 September 2023 and 31 December 2022, the Group's equities were at 3,111.32 million baht and 3,245.63 million baht respectively, increasing by 134.31 million baht or 4.14%. Such increase was mainly due to the dividend payment of the Group of Companies.