



Date 13 May 2024

Subject Discussion and Analysis of the Company's Performance

For the Three-Month Period Ended 31 March 2024

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 2024, 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 2024, 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 2024, it had a net profit of 63.43 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 2024, details of which appear as attached.

Please be informed accordingly.

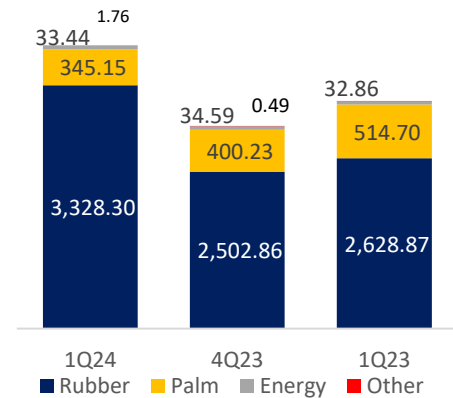
Respectfully yours,

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

Dr. Kamolthip Komolyudtaphaet
(Chief Financial Officer)

Management Discussion and Analysis for the Three-Month Ended 31 March 2024
Thai Eastern Group Holdings Public Company Limited
Overview of The Group's Business Performance

For the three-month ended 31 March 2024, the Group's revenues from the sale of goods and rendering of services comparison QoQ increased by 770.48 million baht or 26.22%, and comparison YoY increased by 530.70 million baht or 16.70%, the proportion of the each business for Quarter 1/2024, are consisted by the revenue of natural rubber business 90%, crude palm oil business 9% and renewable energy and organic waste management business 1%.

Revenue by Business (MTHB)

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

(Unit : MTHB)	1Q24	4Q23	% QoQ	1Q23	% YoY
Revenues from sales of goods and services	3,708.65	2,938.17	26.22%	3,177.95	16.70%
Cost of sales and services	3,381.25	2,690.49	25.67%	2,854.97	18.43%
Gross Profit	327.40	247.68	32.19%	322.98	1.37%
Other Revenue	29.82	7.45	300.27%	6.19	381.74%
Selling and distribution expenses	172.13	130.56	31.84%	141.42	21.72%
Administrative expenses	51.35	59.80	-14.13%	60.20	-14.70%
Gain on exchange rates	10.66	(46.82)	-122.77%	(5.98)	-278.26%
Share of profit from investments in joint ventures	(2.46)	(7.33)	-66.44%	4.00	-161.50%
EBIT	120.62	104.26	15.69%	137.53	-12.30%
Finance income	1.12	1.45	-22.76%	2.78	-59.71%
Finance cost	49.06	34.50	42.20%	29.44	66.64%
Income tax	9.25	2.73	238.83%	8.27	11.85%
Profit for the period	63.43	68.48	-7.37%	102.60	-38.18%

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

For the Q1/2024 , Q4/2023 and Q1/2023, the Group's revenues from the natural rubber business were at 3,328.30 million baht 2,502.86 million baht and 2,628.87 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 2024		31 December 2023		31 March 2023	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
1. Revenue from the Sale of Block Rubber	3,158.05	94.88	2,381.11	95.14	2,480.15	94.34
2. Revenue from the Sale of Concentrated Latex	152.74	4.59	112.76	4.50	141.59	5.39
3. Others	17.51	0.53	8.99	0.36	7.13	0.27
Total Revenue from Natural Rubber Business	3,328.30	100.00	2,502.86	100.00	2,628.87	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 increased by 825.44 million baht or 32.98% and compare YoY, revenue from natural rubber business increased by 699.43 million baht or 26.61%, Such change was mainly due to:

- the sale of block rubber comparison QoQ increased by 776.94 million baht or 32.63% and compare YoY increase 677.90 million baht or 27.33% 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 increase in the average selling price.
- the sale of concentrated latex compare QoQ increase by 39.98 million baht or 35.46% which was primarily resulted from (a) a decreased in sales volume according to the quantity of latex market in Q1/2024 is less. While the selling price slightly increased. In comparison, YoY increased by 11.15 million baht or increased by 7.87% due to both volume and selling price decreased.

Revenue from crude palm oil business

For the Q1/2024, Q4/2023 and Q1/2023, the Group's revenues from crude palm oil business were at 345.15 million baht 400.23 million baht and 514.70 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 2024		31 December 2023		31 March 2023	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Crude Palm Oil	252.49	73.15	284.01	70.96	416.36	80.89
Kernel	11.70	3.39	8.79	2.20	25.41	4.94
Crude Palm Kernel Oil	69.56	20.15	87.18	21.78	59.93	11.64
Others	11.40	3.30	20.25	5.06	13.00	2.53
Total Revenue from Crude Palm Oil Business	345.15	100.00	400.23	100.00	514.70	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 55.08 million baht or 13.76%, and comparison YoY , the Group's revenue decreased by 169.55 million baht or 32.94%, Such change was primarily due to:

- The revenue from the sale of crude palm oil comparison QoQ and YoY decreased mainly as a result of a sales volume of crude palm oil decreased and a higher average selling price of crude palm oil
- The revenue from the sale of crude palm kernel oil comparison QoQ increased mainly as a result of a sales volume of crude palm kernel decreased ,while a higher average selling price of crude palm kernel oil.

Revenue renewable energy and organic waste management business

For the Q1/2024, Q4/2023 and Q1/2023, the Group's revenues from the renewable energy and organic waste management business were at 33.44 million baht 34.59 million baht and 32.86 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 2024		31 December 2023		31 March 2023	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Organic Waste Management Service	26.94	80.56	25.74	74.42	23.01	70.02
Biogas	-	-	0.61	1.76	2.22	6.76
Electricity Generation from Biogas	6.50	19.44	8.24	23.82	7.63	23.22
Total Revenue from Renewable Energy and Organic Waste Management Business	33.44	100.00	34.59	100.00	32.86	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 organic waste management business increased by 1.20 million baht or 4.66%, and comparison YoY, the Group's revenue increased by 3.93 million baht or 17.08% , which the change in revenue was caused by an increased amount of organic waste being managed following a higher demand of existing customers as well as new customers.

Costs of Sales and Services

For the Q1/2024, Q4/2023 and Q1/2023, the Group's costs of sales and services were at 3,381.25 million baht , 2,690.49 million baht and 2,854.97 million baht respectively, comparison QoQ increasing by 690.76 million baht or 25.67% and comparison YoY increased 526.28 million baht or 18.43% . 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 2024		31 December 2023		31 March 2023	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Cost of Natural Rubber Business	2,981.64	88.18	2,192.69	81.50	2,332.97	81.72
Cost of Crude Palm Oil Business	365.09	10.80	456.51	16.97	492.38	17.25
Cost of Renewable Energy and Organic Waste Management Business	32.16	0.95	30.58	1.14	30.45	1.07

Costs of Sales and Services	For Three-Month Ended					
	31 March 2024		31 December 2023		31 March 2023	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Other Costs of Sales and Services ⁽²⁾	2.36	0.07	10.71	0.40	(0.83)	-0.03
Total Costs of Sales and Services	3,381.25	100.00	2,690.49	100.00	2,854.97	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 increased by 788.95 million baht or 35.98% and comparison YoY, the Group's cost of natural rubber business increased by 648.67 million baht or 27.80% 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 91.42 million baht or 20.03% and comparison YoY, the Group's cost of crude palm oil business decreased by 127.29 million baht or 25.85% mainly due to the drought situation that has caused the amount of raw materials in the market to be insufficient, causing production to decrease.

(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 1.58 million baht or 5.17% and comparison YoY, the Group's cost of business increased by 1.71 million baht or 5.62% mainly due to (a) a higher transportation expense and (b) a rental fee.

Gross Profit

For the Q1/2024, Q4/2023 and Q1/2023, the Group had gross profits at 327.40 million baht, 247.68 million baht and 322.98 million baht respectively, equaling to gross profit margins of 8.83%, 8.43% and 10.16% respectively. The table below summarized the gross profits.

Gross Profit	For Three-Month Ended					
	31 March 2024		31 December 2023		31 March 2023	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Natural Rubber Business	346.66	105.88	310.17	125.23	295.90	11.26
Crude Palm Oil Business	(19.94)	-6.09	(56.28)	-22.72	22.31	4.34
Renewable Energy and Organic Waste Management Business	1.28	0.39	4.01	1.62	2.41	7.34

Gross Profit	For Three-Month Ended					
	31 March 2024		31 December 2023		31 March 2023	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Other Businesses	(0.60)	-0.18	(10.22)	-4.13	2.36	154.25
Total Gross Profit	327.40	100.00	247.68	100.00	322.98	10.16

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

(1) Natural rubber business

For the Q1/2024, Q4/2023 and Q1/2023, the gross profit margins of the natural rubber business were at 10.42% 12.39% and 11.26% respectively. Such increase was mainly caused by increase in sales volume and increase in selling price. However, the price of raw materials has increased significantly causing the gross profit margin to decrease.

(2) Crude palm oil business

For the Q1/2024, Q4/2023 and Q1/2023, the gross profit (loss) margins of the crude palm oil business were at (5.78)% , (14.06)% and 4.34% respectively. Comparison QoQ such increased mainly caused by decreased in machinery maintenance and comparison YoY such decreased mainly caused by sales volume decrease.

(3) Renewable energy and organic waste management business

For the Q1/2024, Q4/2023 and Q1/2023, the gross profit margins of this business were at 3.83% 11.59% and 7.34% respectively mainly resulted from (a) an increased amount of organic waste and (b) a lower 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 Q1/2024 , Q4/2023 and Q1/2023, the Group's sales and distribution expenses were at 172.13 million baht 130.56 million baht and 141.42 million baht respectively. Comparison QoQ sales and distribution expenses increased by 41.56 million baht or 31.84% and comparison YoY sales and distribution expenses increased at 30.71 million baht or 21.71% , mainly due to higher contributions to the Rubber Replanting Aid Fund and increased in export expenses which was in line with a higher export volume.

Administrative Expenses

Most of the Group's administrative expenses include employee benefits expense, service fee and depreciation and amortization. For the Q1/2024 , Q4/2023 and Q1/2023, the Group's administrative expenses were at 51.35 million baht 59.81 million baht and 60.20 million baht respectively. Comparison QoQ the Group's administrative expenses decreased by 8.46 million baht or 14.14% mainly due to an decrease in the employee benefits expense and decrease in some others fee expenses , comparison YoY the Group's administrative

expenses decreased by 8.85 million baht or 14.70% mainly due to in Q1/2023, had recognized loss from unused asset disposal.

Net Profit and Net Profit Margin

For the Q1/2024, Q4/2023 and Q1/2023, the Group's net profits were at 63.43 million baht 68.48 million baht and 102.60 million baht respectively, comparison QoQ decreasing by 5.05 million baht or 7.37% and comparison YoY decreasing by 39.17 million baht or 38.18%. were resulted from all export expenses increased which related with increase in export volume and financial costs had increased. from investment in expanding production capacity of each business.

Analysis of the Group's Financial Position

Assets

Comparing as at 31 March 2024 and as at 31 December 2023, the total assets increased by 546.41 million baht or 7.37% since the trade account and other receivables increased by 461.00 million baht following a increase in the revenue from the sales , inventory increased by 149.70 million baht and an increase in the land, building and equipment of 20.56 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 2024 and 31 December 2023, the total liabilities increased by 537.75 million baht or 12.71% mainly due to a increase in bank overdrafts and short-term borrowings from financial institutions.

Equity

As at 31 March 2024 and 31 December 2023, the Group's equities were at 3,188.46 million baht and 3,179.80 million baht respectively, increasing by 8.66 million baht or 0.27%. Such increase was mainly due to quarterly profit recognition.

Financial Ratio

	1Q24	4Q23	1Q23	% Change	
				QoQ	YoY
Current Ratio (Times)	1.15	1.18	1.41	-2.66%	-18.34%
Average Collection Period (Days)	28.70	22.59	23.25	27.02%	22.88%
Inventory Turnover (Days)	84.42	103.33	62.50	-18.30%	35.05%
Payment Period (Days)	6.55	12.14	7.73	-46.05%	-15.25%
Debt to Equity Ratio (Times)	1.49	1.33	0.88	12.39%	70.19%
Gross Profit Margin (%)	8.83%	8.43%	10.16%	4.72%	-13.14%
Net Profit Margin (%)	1.70%	2.32%	3.22%	-27.02%	-47.34%
Return On Assets (%)	0.80%	0.92%	1.63%	-13.74%	-51.13%
Return On Equity (%)	1.99%	2.15%	3.06%	-7.64%	-35.10%

Policy on Customer Credit Management

The Group of Companies has implemented a comprehensive credit management policy tailored for customers, encompassing meticulous guidelines for granting commercial credit (Credit Term) and ensuring adherence to the average debt collection period (Collection Period) within the specified 20 to 90-day range, with due consideration to prevailing industry dynamics. Each customer's historical payment behavior and financial solvency are subjected to rigorous scrutiny, serving as fundamental criteria for guiding trade credit management. The overarching objective is to vigilantly monitor, exercise prudent control, and proactively mitigate the risk of doubtful debts. In the Q1/2024, the Group attained a commendable average debt collection period of 28.70 days

Policy on repayment of debt to trading partners

The Group of Companies has established a policy for repaying debts to trading partners. The average debt repayment period is between 30 - 60 days or the debt repayment conditions as specified in the contract. In the Q1/2024, the group company has an average debt repayment period of 6.55 days, with no delayed debt repayment by the company.

Sustainable business operations

The Group of Companies is dedicated to leadership in producing sustainable rubber and palm oil raw materials. Our commitment extends across all aspects of our operations, prioritizing societal responsibility, environmental stewardship, and stakeholder engagement throughout the value chain. Our vision, 'Business Partners world class that creates a sustainable value chain,' guides our efforts, supported by our Sustainability Development Policy. This policy serves as a comprehensive guideline encompassing social, environmental, and economic dimensions, underpinned by principles of good corporate governance.

Environmental

The Company are committed to operating an environment-friendly business by controlling, preventing and reducing environmental impacts throughout the value chain This includes adhering to FSC standards (Forest Stewardship Council) for sustainable natural rubber development and RSPO standards (Roundtable On Sustainable Palm Oil) for sustainable oil palm cultivation. Furthermore, we prioritize proactive pollution prevention measures, including the enhancement of energy efficiency and the transition to biogas as a more sustainable alternative fuel source. Embracing the principles of the circular economy, our strategies for water management prioritize reuse and recycling, thereby conserving resources and safeguarding biodiversity.

Social

To be part of responding to the expectations of human rights stakeholders and shows the responsibility of the company towards customer society and participates in supporting the community and society. The company aims to conduct business to benefit the public along with the growth of the company. Our adherence to internationally recognized standards, as evidenced by our certification under ISO 14001:2015 and ISO 45001:2018 for environmental and occupational health and safety management systems. The Group of Companies has guidelines for promoting oil palm and rubber raw material suppliers to have a solid and sustainable foundation by encouraging small farmers to form groups and form community enterprises. Group of large plots of farmers to carry out work on developing international standards and organizing activities/projects together with the community to promote long-term community strength, such as Community Waste Project (Waste to Energy) "TEG MARKET PLACE" project, which is a project that provides an opportunity to use the community to sell products to employees in the company area to increase income for the community.

Governance

The company focuses on creating sustainability in business operations with a foundation that comes from following the principles of good corporate governance, ethics and no corruption. There is a system and process for purchasing raw materials that is transparent and verifiable at a fair purchase price, and a process for controlling the quality of products and services. Anti-corruption system and whistleblowing are implemented, which is in line with the requirements of the Thai Private Sector Coalition Against Corruption (CAC), and has an internal audit process for every process in the organization. from external and internal agencies.