

Management Discussion and Analysis for the For the three-month ended

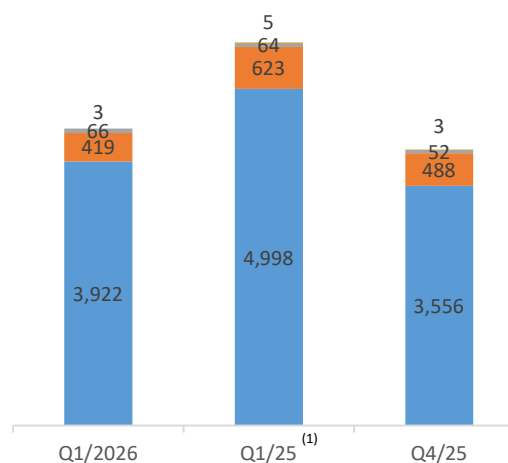
Date 31 March 2026

Thai Eastern Group Holdings Public Company Limited

Overview of The Group's Business Performance

For the three-month ended 31 March 2026, YoY comparative the Group's revenues from the sale of goods and rendering of services decreased 1,280.19 million baht or decreased 22.5%, and QoQ comparative the Group's revenues from the sale of goods and rendering of services increased 309.76 million baht or increased 7.6%, the proportion of the each business for the quarter 1/2026, are consisted of the revenue of natural rubber business 89%, crude palm oil business 9% and renewable energy and organic waste management business 2%

Revenue by Business (MTHB)



Note : (1) Reclassified for comparative

Statement of Comprehensive Income: Comparison for the For the three-month ended

(Unit : MTHB)	Q1/2026	Q1/25 ⁽¹⁾	%YoY	Q4/25	%QoQ
Revenues from sales of goods and services	4,409.22	5,689.41	-22.5%	4,099.46	7.6%
Cost of sales and services	4,078.64	5,164.17	-21.0%	3,786.86	7.7%
Gross Profit	330.58	525.24	-37.1%	312.60	5.8%
Other Revenue	12.13	8.69	39.6%	23.17	-47.6%
Selling and distribution expenses	150.90	212.23	-28.9%	155.50	-3.0%
Administrative expenses	69.52	62.07	12.0%	61.58	12.9%
Gain (loss) on exchange rates	(8.10)	(4.10)	97.6%	7.53	n.a.
EBIT	114.19	255.53	-55.3%	126.22	-9.5%
Share of profit from investments in joint ventures	7.88	(6.47)	n.a.	(2.03)	n.a.
Finance income	0.63	0.94	-33.0%	1.54	-59.1%
Finance cost	30.24	56.34	-46.3%	33.61	-10.0%
Income tax	11.58	17.65	-34.4%	(3.27)	n.a.
Profit for the period	80.88	176.01	-54.0%	95.39	-15.2%

Note : (1) Reclassified for comparative

Revenues from sales of goods and rendering of services

Revenue from natural rubber business

For the three-month ended 31 March 2026 and 2025 and 31 December 2025, the Group's revenues from the natural rubber business were at 3,921.84 million baht and 4,997.98 million baht and 3,556.27 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	Q1/2026		Q1/25 ⁽²⁾		Q4/25	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
1. Revenue from the Sale of Block Rubber	3,701.76	94.4	4,774.01	95.5	3,366.25	94.7
2. Revenue from the Sale of Concentrated Latex	202.48	5.2	201.57	4.0	177.74	5.0
3. Others	17.60	0.4	22.40	0.5	12.28	0.3
Total Revenue from Natural Rubber Business	3,921.84	100.0	4,997.98	100.0	3,556.27	100.0

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

(2) Reclassified for comparative

For the three-month ended 31 March 2026, the Group's revenue from natural rubber business YoY decreased by 1,076.14 million baht or decreased 21.53%, and QoQ increased 365.57 million baht or increased 10.28%, such change was mainly - YoY : the sale of block rubber decreased by 1,072.25 million baht or decreased 22.46%, which were resulted from (a) a decreased in sales volume, and (b) the selling price decreased. QoQ : the sale of block rubber increased by 335.51 million baht or increased 9.97% which were resulted from (a) sale volume increased and (b) selling price increased.

- YoY : the sale of concentrated latex increased by 0.91 million baht or increased 0.45%. This is mainly due to (a) increased in sales volume, while (b) the selling price decreased, and QoQ :the sales of concentrated latex increased by 24.74 million baht or increased 13.92% . This is mainly due to (a) increased in sales volume, while (b) the selling price

Revenue from crude palm oil business

For the three-month ended 31 March 2026 and 2025 and 31 December 2025, the Group's revenues from crude palm oil business were at 418.57 million baht and 622.62 million baht and 488.17 million baht respectively.

Revenue from Crude Palm Oil Business	Q1/2026		Q1/25 ⁽²⁾		Q4/25	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Crude Palm Oil	301.96	72.1	371.87	59.7	284.22	58.2
Crude Palm Kernel Oil	102.56	24.5	213.16	34.2	174.99	35.8
Kernel	-	-	8.86	1.4	-	-
Others	14.05	3.4	28.73	4.7	28.96	6.0
Total Revenue from Crude Palm Oil Business	418.57	100.0	622.62	100.0	488.17	100.0

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

(2) Reclassified for comparative

For the three-month ended 31 March 2026, the Group's revenue from the crude palm oil business YoY decreased by 204.05 million baht or decreased 32.77%, and QoQ decreased by 69.60 million baht or decreased 14.26%, Such change was primarily due to:

- YoY : revenue from the sale of crude palm oil decreased, mainly due to sales volume increase while average selling price decreased.
- YoY The revenue from the sale of crude palm kernel oil decreased mainly due to sales volume decreased, and average selling price decreased.
- QoQ Revenue from the sales of crude palm oil increased due to increased in the volume of crude palm oil, while the average selling price decreased.
- QoQ The revenue from the sale of crude palm kernel oil decreased mainly due to sales volume decreased and average selling price decreased.

Revenue renewable energy and organic waste management business

For the three-month ended 31 March 2026 and 2025 and 31 December 2025, the Group's revenues from the renewable energy and organic waste management business were at 65.67 million baht and 63.63 million baht and 51.92 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	Q1/2026		Q1/25 ⁽²⁾		Q4/25	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Organic Waste Management Service	30.16	45.9	28.72	45.1	27.60	53.2
Biogas	29.32	44.6	28.53	44.8	22.30	43.0
Electricity Generation from Biogas	6.19	9.5	6.38	10.1	2.02	3.8
Total Revenue from Renewable Energy and Organic Waste Management Business	65.67	100.0	63.63	100.0	51.92	100.0

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

(2) Reclassified for comparative

For the three-month ended 31 March 2026, the Group's revenues from the renewable energy and organic waste management business YoY increased by 2.04 million baht or increased 3.21% was caused by (a) increase in the volume and price of organic waste management, and (b) Biogas sale increased. QoQ increased by 13.75 million baht or increased 26.48% which the change in revenue was caused by (a) increase in price and sale volume of organic waste management, and (b) decrease in Biogas sale volume while price increase.

Costs of Sales and Services

For the three-month ended 31 March 2026 and 2025 and 31 December 2025, the Group's costs of sales and services were at 4,078.64 million baht and 5,164.17 million baht and 3,786.86 million baht respectively, YoY decreased by 1,085.53 million baht or decreased 21.02%, and QoQ increased 291.78 million baht or increased 7.71%. The costs of sales and services can be grouped by type of business as follows:

Costs of Sales and Services	Q1/2026		Q1/25 ⁽³⁾		Q4/25	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Cost of Natural Rubber Business	3,598.06	88.2	4,461.30	86.4	3,253.99	85.9
Cost of Crude Palm Oil Business	443.94	10.9	675.45	13.1	502.18	13.3
Cost of Renewable Energy and Organic Waste Management Business	34.30	0.8	23.58	0.5	27.82	0.7
Other Costs of Sales and Services ⁽²⁾	2.34	0.1	3.84	-	2.87	0.1
Total Costs of Sales and Services	4,078.64	100.0	5,164.17	100.0	3,786.86	100.0

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

(2) Other costs of sale and services are transportation costs

(3) Reclassified for comparative

(1) Natural rubber business

Major costs in the natural rubber business consisted by a raw material cost and overheads (such as, a labor cost , an energy cost, and depreciation and amortization). For the three-month ended 31 March 2026, the cost of natural rubber production and sales, YoY : decreased by 863.24 million baht or decreased 19.35%. And QoQ: increased by 344.07 million baht or increased 10.57%.

(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. For the three-month ended 31 March 2026, the cost of crude palm oil production and sales YoY: decreased by 231.51 million baht or decreased 34.27%,, and QoQ: decreased by 58.24 million baht or decreased 11.60 %.

(3) Renewable energy and organic waste management business

Major costs in the renewable energy and organic waste management business consisted by a labor cost, a maintenance cost and depreciation and amortization. For the three-month periods ending 31 March 2026, the Group's cost of business YoY increased by 10.72 million baht. And QoQ, increased by 6.48 million baht.

Gross Profit

For the three-month ended 31 March 2026, 2025, and 31 December 2025, the Group's gross profit were 330.57 million baht, 525.24 million baht, and 312.60 million baht, respectively. The corresponding gross profit margins were 7.50%, 9.23%, and 7.63%. This can be summarized as follows:

Gross Profit	Q1/2026		Q1/25 ⁽²⁾		Q4/25	
	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾	MTHB	Percent ⁽¹⁾
Natural Rubber Business	323.78	97.9	536.68	102.2	302.28	96.7
Crude Palm Oil Business	(25.37)	(7.7)	(52.83)	(10.1)	(14.01)	(4.5)
Renewable Energy and Organic Waste Management Business	31.37	9.5	40.05	7.6	24.10	7.7
Other Businesses	0.79	0.3	1.34	0.3	0.23	0.1
Total Gross Profit	330.57	100.0	525.24	100.0	312.60	100.0

Notes: (1) Percentage of the sale of each business

(2) Reclassified for comparative

(1) Natural rubber business

For the three-month ended 31 March 2026, 2025, and 31 December 2025, the gross profit margins for the natural rubber business were 8.26%, 10.74%, and 8.50%, respectively. YoY: gross profit rate increase from quantity and selling price decreased, and QoQ: gross profit rate decreased.

(2) Crude palm oil business

For the three-month ended 31 March 2026, 2025, and 31 December 2025, the gross profit margins for the crude palm oil business were -6.06%, -8.49%, and -2.87%, respectively.

(3) Renewable energy and organic waste management business

For the three-month ended 31 March 2026, 2025, and 31 December 2025, the gross profit margins for the renewable energy and organic waste management business were 47.77%, 62.94%, and 46.42%, respectively. YoY: profit margin decreased, and QoQ: profit margin increased.

Sales and Distribution Expenses

The Group's selling and distribution expenses primarily consist of contributions to the Rubber Replanting Aid Fund, transportation costs, and export expenses. For the three-month ended 31 March 2026, 2025, and 31 December 2025, the Group's selling and distribution expenses were 150.90 million baht, 212.23 million baht, and 155.50 million baht, respectively. This represents a YoY decreased of 61.33 million baht or decreased 28.90%, The main reasons for these changes are decreased in contributions to the Rubber Replanting Aid Fund and increase in transportation expenses. and a QoQ decreased of 4.60 million baht or decreased 2.96% due to decrease in contributions to the Rubber Replanting Aid Fund and decrease in transportation expenses from decrease in export sale.

Administrative Expenses

The Group's administrative expenses mainly consist of employee benefits, various service fees, and depreciation and amortization. For the three-month ended 31 March 2026, 2025, and 31 December 2025, the Group's administrative expenses were 69.52 million baht, 62.07 million baht, and 61.58 million baht, respectively. This reflects a YoY increased of 7.45 million baht or increased 12.00%, which mainly increase in employee expense and QoQ: increased of 7.94 million baht or increased 12.89%.

Net Profit and Net Profit Margin

For the three-month ended 31 March 2026, 2025, and 31 December 2025, the Group's net profit was 80.88 million baht, 176.00 million baht, and 95.39 million baht, respectively, with net profit margins of 1.83%, 3.09%, and 2.33%, respectively. YoY, this is an decreased of 95.12 million baht, primarily due to increase in revenue and higher net profit margin, and QoQ, an decreased of 14.51 million baht.

Analysis of the Group's Financial Position

Assets

As of 31 March 2026, compared to 31 December 2025, total assets decreased by 7.57 million baht, or 0.09%. This decreased is due to: Cash and cash equivalents increased by 63.76 million baht. Trade receivables and other receivables increased by 392.10 million baht due to increase in revenue from sales and services in the quarter. Inventory decreased by 465.20 million baht. Land, buildings, and equipment increased by 2.74 million baht.

Liabilities

As of 31 March 2026, compared to 31 December 2025, total liabilities decreased by 25.01 million baht, or decreased 0.60%. This decreased is primarily due to decrease in overdrafts and short-term loans from financial institutions from repayment.

Equity

As of 31 March 2026, compared to 31 December 2025, the Group's shareholders' equity was 3,945.44 million baht and 3,928.01 million baht, respectively. This represents an increased of 17.43 million baht or increased 0.44%.

Financial Ratio

	Q1/2026	Q1/25	Q4/25	% YoY	% QoQ
Current Ratio (Times)	1.39	1.26	1.43	10.32%	-2.80%
Average Collection Period (Days)	27.93	23.10	21.91	20.91%	27.48%
Inventory Turnover (Days)	62.82	75.55	80.46	-16.85%	-21.92%
Payment Period (Days)	6.05	5.43	6.79	11.42%	-10.90%
Debt to Equity Ratio (Times)	1.05	1.54	1.06	-31.82%	-0.94%
Gross Profit Margin (%)	7.50%	9.23%	7.63%	-18.74%	-1.70%
Net Profit Margin (%)	1.83%	3.09%	2.33%	-40.78%	-21.46%
Return On Assets (%)	1.00%	1.82%	1.18%	-45.05%	-15.25%
Return On Equity (%)	2.05%	4.62%	2.43%	-55.63%	-15.64%

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 1/2026, the Group attained a commendable average debt collection period of 27.93 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 1/2026, the group company has an average debt repayment period of 6.05 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 Measures to trace the origin of goods and rubber products to comply with the European Union's EU Deforestation-free Products Regulation (EUDR), 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.