

**KGI Securities (Thailand) Public Company Limited
and its subsidiaries (“The Group”)
Management Discussion and Analysis
for 1Q2026 Ending 31 March 2026**

1. Overview of economy and industry conditions affecting operations

Summary of Thai stock market for 4M 2026

For 4M 2026, the SET Index posted an impressive gain of 18.6%. The market was underpinned by strong rallies in electronics and energy sectors, while domestic sector performance was mediocre. In January, The Thai stock market rose strongly despite global macro uncertainties regarding the US–Venezuela and Greenland issues. The positive factors for the SET Index were i) investors’ speculative investment in the Thai market ahead of the general election on 8th February, and ii) the rally in the global technology stocks, which created positive sentiment for DELTA, the largest stock in the SET.

The Thai stock market rose more strongly than expected in February, driven mainly by optimism for political stability following the landslide victory of the Bhumjaithai Party in the general election. Meanwhile, other supportive factors included i) stronger-than-expected 4Q25 GDP data and a slight upward revision to GDP forecasts, and ii) significant foreign fund inflows into the stock market, driven by the positive domestic backdrop as well as specific factors such as MSCI and FTSE Russell expressing concerns about free float standards in the Indonesian stock market. This led to a rotation of regional equity flows into other ASEAN markets, including Thailand.

In March, the Thai stock market experienced high volatility, as global financial markets reacted to the conflict in the Middle East, which erupted on 28 February 2026, and escalated throughout March. Soaring global crude oil prices prompted the Thai government to begin raising domestic fuel prices to reduce pressure on the Oil Fund. As a result, investors became more concerned about the economic impact, particularly on inflation. These negative factors more than offset the positive impact from domestic politics, including the formation of the new government, market expectations for consumption stimulus, and policies to boost public investment and FDI.

The local market moved sideways up in April, but the SET Index was primarily supported by the petrochemical sector (benefiting from tight oil markets and soaring product spreads) and the electronics sector (driven by the continued megatrend of AI and data centers). Despite ongoing news about peace talks and ceasefire extensions, there was still no clarity on an end to the war by the end of April. Fund flows also weakened amid investor concerns about an upcoming MSCI rebalancing in mid-May, following news reports that the weighting of the Thai stock market may be reduced in the MSCI Global Standard Index.

2. Summary of important events and developments

The Meeting of the Board of Directors of the Company No. 1/2026, held on 25 February 2026, acknowledged the resignation of Mr. Chih-Hung Lin, as the Chief Operating Officer (Top management) and an authorized director of the Company, and approved the appointment of Mr. Chi-Sheng Niu, as the new Chief Operating Officer and authorized director of the Company with the approval of the Securities and Exchange Commission (SEC) granted on 11 March 2026.

3. Summary of operating results

In the first quarter of 2026, the Group had profits attributable to the Company's shareholders of Baht 319 million, an increase of 96 percent compared to the fourth quarter of 2025 and an increase of 61 percent compared to the first quarter of 2025.

(Unit: Million Baht)	1Q2026	4Q2025	% QoQ	1Q2025	% YoY
Brokerage fees	240	160	50%	177	35%
Fee and service income	356	360	-1%	329	8%
Interest income	76	83	-9%	96	-21%
Gains and return on financial instruments	471	233	102%	290	63%
Other income	1	3	-62%	1	41%
Total income	1,145	840	36%	892	28%
Employee benefits expenses	335	260	29%	278	20%
Fee and service expenses	271	212	28%	219	23%
Interest expenses	30	27	10%	32	-6%
Reversal of expected credit losses	-	(1)	-	-	-
Other expenses	110	131	-16%	115	-4%
Total expenses	746	630	18%	645	16%
Profit before income tax	399	210	90%	247	61%
Income tax	(80)	(48)	68%	(50)	60%
Profit for the period	319	163	96%	198	61%
Profit attributable to the Company's shareholders	319	162	96%	198	61%
Basic earnings per share (Baht)	0.16	0.08	96%	0.10	61%

3.1 Income

A. Brokerage fees

In the first quarter of 2026, the Group had brokerage fee income of Baht 240 million, an increase of 50 percent compared to the fourth quarter of 2025. The brokerage fee income consisted of 1) brokerage fees from securities business and 2) brokerage fees from derivatives business. The increase in income was mainly from brokerage fees from securities business, due to an increase in trading by retail and foreign clients.

The brokerage fee income increased by 35 percent compared to the first quarter of 2025. The increase in income was from brokerage fees from securities business, due to an increase in trading by retail and foreign clients.

B. Fee and service income

In the first quarter of 2026, the Group had fee and service income of Baht 356 million, similar to the fourth quarter of 2025.

The fee and service income increased by 8 percent compared to the first quarter of 2025, mainly due to an increase in income from sales agent of investment units, and front-end fees.

C. Interest income

In the first quarter of 2026, the Group had interest income of Baht 76 million, a decrease of 9 percent compared to the fourth quarter of 2025, mainly due to a decrease in interest income from deposit at financial institutions and Bank of Thailand Bonds, interest income from investments, and interest income from margin loans.

The interest income decreased by 21 percent compared to the first quarter of 2025. This was mainly due to a decrease in interest income from deposit at financial institutions and Bank of Thailand Bonds, and interest income from margin loans.

D. Gains and return on financial instruments

In the first quarter of 2026, the Group had gains and return on financial instruments of Baht 471 million, an increase of 102 percent compared to the fourth quarter of 2025, and an increase of 63 percent compared to the first quarter of 2025. This was in accordance with market conditions.

The gains and return on financial instruments were derived from a variety of activities, including, derivative warrants (DWs), depositary receipts (DRs) representing foreign securities, OTC derivatives including structured products, the Company's investments in debt & equity securities and derivatives (Futures & Options), bond dealing, private repo, and other investments.

3.2 Expenses

A. Employee benefits expenses

In the first quarter of 2026, the Group had employee benefits expenses of Baht 335 million, an increase of 29 percent compared to the fourth quarter of 2025 and an increase of 20 percent compared to the first quarter of 2025, mainly due to an increase in personnel expenses.

B. Fee and service expenses

In the first quarter of 2026, the Group had fee and service expenses of Baht 271 million, an increase of 28 percent compared to the fourth quarter of 2025, and an increase of 23 percent compared to the first quarter of 2025, mainly due to an increase in commission fees, and fees paid in respect of securities trading.

C. Interest expenses

In the first quarter of 2026, the Group had interest expenses of Baht 30 million, an increase of 10 percent compared to the fourth quarter of 2025, mainly due to an increase in interest paid on borrowings from financial institutions, and bills of exchange.

The interest expenses decreased by 6 percent compared to the first quarter of 2025, mainly due to a decrease in interest paid on borrowings from bills of exchange, and interest paid to securities and derivatives trading clients.

D. Other expenses

In the first quarter of 2026, the Group had other expenses of Baht 110 million, a decrease of 16 percent compared to the fourth quarter of 2025, mainly due to a decrease in publication, marketing and sale promotion expenses.

The other expenses decreased by 4 percent compared to the first quarter of 2025, mainly due to a decrease in communication and information expenses, and premises and equipment expenses.

4. Summary of financial position

4.1 Assets

As at 31 March 2026, the Group had total assets of Baht 20,219 million, an increase of 18 percent compared to as at 31 December 2025. This was mainly due to an increase in securities and derivatives business receivables, and securities purchased under resale agreements, in accordance with market conditions.

Assets (Million Baht)	Consolidated		Change	
	31 Mar 2026	31 Dec 2025	Amount	%
Assets				
Cash and cash equivalents	639	440	199	45%
Securities purchased under resale agreements	3,315	2,095	1,220	58%
Receivables from Clearing House and broker - dealers	333	631	(298)	-47%
Securities and derivatives business receivables	6,706	4,148	2,558	62%
Accrued fees and service income				
from asset management business	110	117	(7)	-6%
Derivative assets	59	30	29	95%
Non-collateralised investments	7,296	6,291	1,005	16%
Collateralised investments				
Collateralised investments without granting right to transferee to sell or repledge	9	9	-	-
Collateralised investments with granting right to transferee to sell or repledge	-	1,756	(1,756)	-
Property, plant and equipment	213	221	(8)	-4%
Right-of-use assets	651	679	(28)	-4%
Intangible assets	40	42	(2)	-4%
Goodwill	27	27	-	-
Properties foreclosed	6	6	-	-
Deferred tax assets	197	124	73	59%
Other assets	618	474	144	30%
Total assets	20,219	17,091	3,128	18%

4.2 Liabilities

As at 31 March 2026, the Group had total liabilities of Baht 11,775 million, an increase of 31 percent compared to 31 December 2025. This was mainly due to an increase in securities and derivatives business payables, in accordance with market conditions.

Liabilities (Million Baht)	Consolidated		Change	
	31 Mar 2026	31 Dec 2025	Amount	%
Liabilities				
Borrowings from financial institutions	708	-	708	-
Securities sold under repurchase agreements	1,360	3,060	(1,700)	-56%
Payables to Clearing House and broker - dealers	1,129	219	910	414%
Securities and derivatives business payables	3,777	1,877	1,899	101%
Accrued fees and service expenses				
from asset management business	38	26	13	51%
Financial liabilities designated at fair value	212	284	(72)	-25%
Derivative liabilities	456	80	376	468%
Accrued expenses	368	436	(68)	-16%
Current tax liabilities	258	120	138	115%
Debts issued and other borrowings	2,394	1,763	631	36%
Lease liabilities	746	773	(28)	-4%
Provisions for employee benefits	252	244	8	3%
Provisions for liabilities	49	49	-	-
Other liabilities	27	38	(11)	-29%
Total liabilities	11,775	8,969	2,806	31%

4.3 Owners' equity

As at 31 March 2026, the Group had total equity attributable to the Company's shareholders of Baht 8,441 million, an increase of 4 percent compared to as at 31 December 2025. This was mainly due to profit attributable to the Company's shareholders for the three-month period of 2026 in the amount of Baht 319 million.

Key financial ratios

Financial Ratio	1Q2026	4Q2025	1Q2025
Profitability ratios			
Net profit margin (%)	27.84	19.33	22.16
Return on equity (%)	11.95 *	10.82 *	9.95 *
Return on investment (%)	22.42 *	20.22 *	19.99 *
Efficiency ratios			
Return on assets (%)	5.28 *	5.40 *	4.53 *
Asset turnover (%)	21.05 *	22.95 *	20.61 *
Financial policy analysis ratio			
Interest Coverage Ratio (times)	15.91	10.41	10.27
Debt Service Coverage Ratio (times)	0.34 *	0.28 *	0.54 *
Total liabilities to equity (times)	1.39	1.10	1.13

Note

* Annualised the latest four quarters of data

Profitability ratios

In the first quarter of 2026, the Group's profitability ratios compared favorably with other securities companies. The Group had a net profit margin of 27.84 percent, a return on equity of 11.95 percent and return on investments of 22.42 percent.

Efficiency ratios

In the first quarter of 2026, the Group was able to manage its assets efficiently, by making good use of the assets available for the Group's operations. This resulted in a 5.28 percent return on assets ratio and a 21.05 percent asset turnover ratio.

Financial policy analysis ratios

The Group was able to generate strong and adequate EBITDA to cover debt obligations. It had an interest coverage ratio of 15.91 times and a debt service coverage ratio of 0.34 times.

In addition, the Group has an appropriate capital structure. As at 31 March 2026, it had total liabilities to equity of 1.39 times, an increase compared to 1.10 times as at 31 December 2025. This was mainly due to an increase in total liabilities from securities and derivatives business payables.

Factors that may affect the Company's credit rating

On 27 June 2025, TRIS Rating affirms the company rating on KGI Securities (Thailand) PLC (KGI Thailand) at "A" with a "stable" outlook. The company rating incorporates a one-notch uplift from KGI Thailand's stand-alone credit profile (SACP) assessed at "a-". The enhancement is based on our assessment of KGI Thailand's group status as a "strategic" affiliate of KGI Securities Co., Ltd. in Taiwan (KGI Taiwan, rated "BBB+/Stable" by S&P Global Ratings).

The SACP reflects KGI Thailand's adequate business position, strong capitalization, and healthy profitability. At the same time, the Company continues to maintain ample funding and liquidity. Although gains on financial instruments may be less stable during periods of high market volatility, they remain a significant and relatively stable part of the Company's income.

Credit upsides could develop from a sustained overall improvement in the Company's business position. Downward pressure on the ratings could occur if the Company's capitalization, as measured by the RAC ratio, weakens significantly on a prolonged basis, either from operating losses or a rapidly enlarged balance sheet stemming from aggressive business expansion.

Also, any change in the credit profile of the KGI Group or a change in TRIS Rating's view of the status of the Company to the KGI Group may affect the rating and/or outlook.

5. Factors which may affect the Company's operating results in future

Factors that may affect the Company's operations are both internal and external as follows:

Internal factors include information technology systems, financial liquidity, loss of key employees, failure of operational controls or risk management.

External factors include economic conditions, political situation, changes in market conditions, competition, changes in government policies, regulations and laws, changes in interest rates and foreign exchange rates, including natural disasters and disease outbreaks.

These factors may affect the business operations of the Company and may impact the Company's revenue. However, the Company has established a Risk Management Committee as well as other control systems to ensure that risk is appropriately managed. The Company's Risk Management Committee is comprised of representatives of all business units as well as senior, middle and back-office executives and operational and administrative executives. The Committee acts as a forum where professional managers can join forces in coordinating risk-management initiatives. These initiatives include the installation of a mechanism for monitoring and managing market risk, credit risk and operational risks. The Risk Management Department is responsible for monitoring all trading positions by systematically calculating Value at Risk (VaR) and also monitoring all client positions using computerized systems. Thus, the Company has been able to systematically identify relevant risks. The Company also has a variety of standardized operational procedures that have been developed to reduce risk in routine operations.

6. Sustainability Development

In 1Q2026, the Company has enhanced its sustainability as follows:

Month/Year	Sustainability Development
January 2026	<p><u>Donations of Used calendars</u> The Company donated used calendars to the Educational Technology for the Blind Center under the Royal Patronage of H.M. the Queen. These calendars will be utilized to make Braille books as instructional materials for blind students in Bangkok and other provinces</p>
March 2026	<p><u>Training Program for Fire Prevention and Evacuation Drills</u> The Company participates in fire drills and evacuation exercises annually to ensure employees are aware of emergency procedures and to test the readiness of building equipment, in accordance with the Ministry of Labour's regulations on safety, occupational health, and working environment related to fire prevention and suppression. In 2026, the Company representatives participated in basic fire-fighting training on 4 March 2026, and the Company employees participated in a fire evacuation drill on 6 March 2026.</p> <p><u>Setting ESG Targets for 2026</u> The Company recognizes the importance of sustainable growth and creating long-term value for the organization and all stakeholders. Therefore, the Company prioritizes sustainable business operations encompassing three dimensions: economic, social, and environmental. The Sustainability Committee has set the Company's ESG targets for 2026, as follows:</p>

ESG Targets for 2026

Sustainability dimension	Indicators	2026 Goals
Environment dimension	Greenhouse gas emissions	The greenhouse gas emission target is set at the same level as in 2025, which is 659 Ton CO ₂ e.
	Electricity consumption	The electricity consumption target is set at the same level as in 2025, which is 382,556 kilowatt-hours.
	• Water consumption	The water usage target is set at the same level as in 2025, which is 253 cubic meters.
	The waste generated	The waste generated is set at the same level as in 2025, which is 12,172 kilograms.
Social dimension	Number of complaints	No complaints.
Economic and corporate governance dimensions	Good corporate governance	The corporate governance assessment results are greater than or equal to 80 percent.