HANA Microelectronics Public Company Limited
Management's Discussion and Analysis
Second Quarter Ended 30th June 2026

Overall Group Performance
Hana Microelectronics Group 'Hana' Sales Revenue increased 3% year on year to THB 5,365 million for the second quarter of 2026 from THB 5,199 million for the second quarter 2025. Sales Revenue in USD terms increased 5% to USD 165 million in Q2 2026 from USD 157 million in Q2 2025. Normalised Profit increased 84% to THB 278 million in Q2 2026 from THB 151 million in Q2 2025.

Net Profit increased to THB 326 million in Q226 from THB 35 million in Q225, due to higher sales revenue, higher gross profit and exchange gain in Q226 whereas Q225 had an exchange loss.

Sales Revenue THB '000	**Quarter Q226**		**Quarter Q225**		**Q226-Q225**	**% Q226-Q225**
PCBA (Lamphun, Thailand)	2,355,899	43%	2,588,287	49%	(232,388)	-9%
PCBA (Jiaxing, China)	536,724	10%	599,481	12%	(62,757)	-10%
PCBA (Cambodia)	137,705	3%	92,890	2%	44,815	48%
IC (Ayutthaya, Thailand)	1,512,828	28%	1,322,374	25%	190,454	14%
IC (Jiaxing, China)	271,669	5%	238,675	5%	32,995	14%
HTI (Ohio, USA)	457,597	9%	305,798	6%	151,798	50%
IC Korea	93,005	2%	51,575	1%	41,430	80%
Total Revenue	**5,365,427**	**100%**	**5,199,080**	**100%**	**166,348**	**3%**

Sales Revenue Analysis
Year on Year Sales Revenue Analysis
Quarter 2 2026 sales revenue for the group increased 5% year-on-year in USD terms to USD 165 million from USD 157 million in Q225. The average exchange rate for Q226 was 2% stronger at THB/USD 32.6 from THB/USD 33.1 in Q225. As a result, the sales revenue in THB terms increased 3% year on year for the quarter.

YEAR-on-YEAR, in USD terms, the microelectronics divisions sales decreased by -6%. Sales in Lamphun decreased -8%, Jiaxing decreased by -8% and Cambodia increased 51% year on year.

The IC divisions sales revenues increased 16% in Q226, with revenues of the IC division in Ayutthaya increasing 16% and Jiaxing increasing 16%. Power Master Semiconductor 'PMS', in Korea, sales revenue increased 83%. Hana Technologies Inc. 'HTI' the Microdisplay/RFID operation in Ohio sales revenue increased 52% in Q226 from Q225.

Quarter on Quarter Sales Revenue Analysis
QUARTER-on-QUARTER, in USD terms, sales for the group increased 5% to USD 165 million in Q226 from USD 156 million in Q126. Sales in the microelectronics divisions increased 3% with Lamphun increasing 4%, Jiaxing increasing 2% and Cambodia decreasing -9%. Sales revenues from the IC divisions increased 5% in Q226 from Q126 with Ayutthaya sales increasing 18% and Jiaxing IC sales decreasing by -36%.

PMS sales increased 73% in Q226 compared to Q126. HTI sales increased 21% in Q226 compared to Q126.

Sales Revenue Split	**Q2 2026**	**Q1 2026**	**Q4 2025**	**Q3 2025**	**Q2 2025**
PCBA (Lamphun, Thailand)	43%	46%	47%	48%	49%
PCBA (Jiaxing, China)	10%	10%	12%	10%	12%
PCBA (Cambodia)	3%	3%	2%	2%	2%
IC (Ayutthaya, Thailand)	28%	25%	25%	26%	25%
IC (Jiaxing, China)	5%	8%	7%	6%	5%
HTI (Ohio, USA)	9%	7%	6%	7%	6%
IC Korea	2%	1%	1%	1%	1%
	100%	**100%**	**100%**	**100%**	**100%**

Gross Profit / Cost of Sales Analysis
The Gross Profit margin increased 1.3% points to 10.7% in Q226 from 9.4% Q225, due to increased sales revenues at the semiconductor divisions and PMS.

Normalised Profit Analysis, Sales and Administration Analysis
Year-on-year Normalised Profit, was 84% higher at THB 278 million in Q226 compared to THB 151 million in Q225, mainly due to increase in gross profit in Q226. The Normalised Profit margin increased to 5.2% in Q226 from 2.9% in Q225. SG&A expenses decreased -1% in Q226 compared to Q225.

Note: In Q126 there was an Exceptional Item of THB 114.5 million due to a customer's loss in business. Consisting of inventory write down provision THB 60.5 million (increasing Cost of Sales) and increase in doubtful debts THB 54 million (increasing Administrative Expenses).

Foreign Exchange Rates
Each week's sales and purchases are booked based on the exchange rate at the close of the previous week. The average exchange rate for Q226 was THB/USD 32.60, Q225 was THB/USD 33.11, (Q126 was THB/USD 31.61).

The offshore subsidiaries income statements are translated at the average rate for the quarter, (for their respective currencies). The Balance sheets of the offshore companies were translated at the closing rate of THB/USD 33.10 at 30/06/26, and THB/USD 32.56 at 30/06/25 (32.68 at 31/03/26) or the respective rate applicable to each offshore subsidiary's base currency.

Payout Analysis
In Q226 THB 664 million final dividend of THB 0.75 per share was paid during the quarter from the profits of 2025.

In Q225 THB 443 million final dividend of THB 0.50 per share was paid during the quarter from the profits of 2024.

Financial Status
Net Cash reserves and financial investments were THB 11.2 billion at the 30th June 2026 up from THB 9.8 billion at the 30th June 2025.

Asset Quality
Accounts Receivable
Most of customers are well known and have good reputation in the IC, and electronics industry.
Provision is made of amounts outstanding over 90 days and amounts which the management believe may be doubtful. Accounts receivable were 79 days at 30th June 2026, and 87 days in 2025.

Trade Receivables	THB '000	**30 June 26**	**30 June 25**
Less than 3 months		4,316,927	4,859,332
3 - 6 months		42,441	88,992
6 - 12 months		22,626	70,717
More than 12 months		44,963	1,326
Total accounts receivable - other companies		4,426,957	5,020,367
Less: Allowance for doubtful accounts		(93,806)	(3,873)
		4,333,151	**5,016,494**

Included in allowance for doubtful debts is THB 54m above-mentioned as part of Exceptional Item provided for in Q126.

Inventory
In general, Hana's production is based on clients' orders, consequently, the majority of inventory are raw materials, expendable tools and work in process with little finished goods pending for customer delivery. The group companies normally write-off out-of-date inventory, and make provision for aged inventory and depletion in the value of fixed assets, if material, each quarter. Inventory days were 130 days as at 30th June 2026 and 122 days as at 30th June 2025.

Accounts Payable
Credit terms with suppliers are mostly open account with credit terms varying from cash in advance to 90 days. The credit term has been determined in accordance with the principles of fair dealing between the Company and suppliers. Average accounts payable were 56 days in Q226, 62 days in Q225.

Liquidity
Liquidity Current ratio is over 3 times current liabilities. Operating Cashflow (Recurring Adjusted EBITDA) in Q2 2026 was THB 590 million which was 14% higher than Q2 2025 at THB 518 million.

Capital Expenditure
Capital Expenditure was THB 314 million in Q2 2026 and THB 203 million in Q2 2025. Generally, capital expenditure for production equipment will follow the increase in sales, particularly in the IC division.

However, there is a 6-to-12-month time lag due to the ordering lead time. Plant expansion will depend on the current building utilisation and lead time to construct new plant or expand in an existing plant.

Source of Financial Capital
The group has cash to fund certain subsidiaries' capital expenditure. As the operating working capital is positive, the group's major funding is from the shareholders equity.

Major Factors which could have an Impact on the Company's Performance
The company business is that of an electronics manufacturing service company. The company manufactures products on behalf of its customers for shipment to them or their customers. Therefore, the company's performance is mostly affected by its ability to win and retain business from the existing and new customers. In turn, customer demand is affected by world economic growth and the customer's sales growth.

The group's sales revenue are in foreign currency (primarily USD) and USD currency costs are approximately 60% of sales revenues. The Group operating profit sensitivity to change in the Thai Baht/USD and Chinese CNY/USD exchange rates is currently about Baht 200 million per quarter for every 10% change in the average Baht/USD and CNY/USD rates (i.e. (1- 0.60) x Sales Revenue x 10%).

Whilst the book value of the offshore companies are represented in foreign currency, the effect of the change in the exchange rate is shown by the movement of the foreign currency 'Translation Adjustment' in the shareholders funds section of the balance sheet. There is no cash affect concerning its movement.

Exceptional Items
None

Subsequent Event
None

Forward Looking Statement
Factors That May Affect the financial condition of the Operating Results
The principle risks which may affect the company's operations are, but not limited to: Customer retention, winning new customers, product price erosion, customers products success in their respective markets and lifecycle of such products, consistently manufacturing products to agreed specifications and delivery schedules with customers, recall, product liability risks in the event of product failures, suppliers price and consistent supply of raw materials to agreed specifications, supplier financial solvency, fluctuation in foreign exchange rates for each of our operations compared to both product sales currency which is primarily USD, materials purchasing currency which is primarily USD and the operating currency in each country which we operate, wages and salaries increases, availability and turnover of direct labour and skilled staff, credit risks, market, liquidity and funding, insurance, operational, regulatory compliance, strategic, reputation, legal and regulatory environment, competitive and systemic risks.

Our success in executing and completing mergers and acquisitions and subsequent operational risks.
Our success in developing and marketing new products and factory processes. Success in protecting intellectual property developed.

Macro-economic stability of the countries in which we, our customers and suppliers operate. Global financial stability which may affect interest rates and access of funding of the company, its customers and suppliers. Pandemic risks such as COVID-19, may occur which may affect customer demand and the global supply chain.