Date 6 August 2026

Subject Management Discussion and Analysis of Operating Results for Quarter 2/2026

To Director and Manager The Stock Exchange of Thailand

Kijcharoen Engineering Electric Public Company Limited ("the Company") would like to clarify the Management Discussion and Analysis of the Company operating result for the period ended 30 June 2026, which has been reviewed by certified public accountants as follows

Operating Results of the Company (Unit : Million Baht)

Operating Results	Quarter 2		Changed		% of Sales	
	2026	2025	Inc(Dec)	Inc(Dec)%	Q2 2026	Q2 2025
Sales of goods	643.05	573.60	69.45	12.11%	100.00%	100.00%
Cost of sales	(471.10)	(391.73)	79.37	20.26%	(73.26)%	(68.29)%
Gross profit	**171.95**	**181.87**	**(9.92)**	**(5.45)%**	**26.74%**	**31.71%**
Other income	2.09	2.19	(0.10)	(4.57)%	0.33%	0.38%
Selling expenses	(40.39)	(34.84)	5.55	15.93%	(6.28)%	(6.07)%
Administrative expenses	(50.18)	(45.05)	5.13	11.39%	(7.80)%	(7.85)%
Other gain (loss), net	(0.14)	(0.13)	0.01	7.69%	(0.02)%	(0.02)%
Finance cost	(3.06)	(4.35)	(1.29)	(29.66)%	(0.48)%	(0.76)%
Profit before income tax	**80.27**	**99.69**	**(19.42)**	**(19.48)%**	**12.48%**	**17.38%**
Income tax	(16.22)	(20.11)	(3.89)	(19.34)%	(2.52)%	(3.51)%
Net profit for the period	**64.05**	**79.58**	**(15.53)**	**(19.51)%**	**9.96%**	**13.87%**

Operating Results	Quarter 2	Quarter 1	QoQ		% of Sales	
	2026	2026	Inc(Dec)	Inc(Dec)%	Q2 2026	Q1 2026
Sales of goods	335.17	307.88	27.29	8.86%	100.00%	100.00%
Cost of sales	(243.66)	(227.44)	16.22	7.13%	(72.70)%	(73.87)%
Gross profit	**91.51**	**80.44**	**11.07**	**13.76%**	**27.30%**	**26.13%**
Other income	1.12	0.97	0.15	15.46%	0.33%	0.32%
Selling expenses	(19.43)	(20.96)	(1.53)	(7.30)%	(5.80)%	(6.81)%
Administrative expenses	(24.63)	(25.55)	(0.92)	(3.60)%	(7.35)%	(8.30)%
Other gain (loss), net	(0.01)	(0.13)	(0.12)	(92.31)%	(0.00)%	(0.04)%
Finance cost	(0.53)	(2.53)	(2.00)	(79.05)%	(0.16)%	(0.82)%
Profit before income tax	**48.03**	**32.24**	**15.79**	**48.98%**	**14.33%**	**10.47%**
Income tax	(9.65)	(6.57)	3.08	46.88%	(2.88)%	(2.13)%
Net profit for the period	**38.38**	**25.67**	**12.71**	**49.51%**	**11.45%**	**8.34%**

For the operating results for 6-month and 3-month period ended 30 June 2026, total sales revenue of the company amounted to Baht 643.05 million and Baht 335.17 million, accordingly and net profit for 6-month and 3-month period ended 30 June 2026 amounted to Baht 64.05 million and Baht 38.38 million, accordingly. The details are as follows:

Sales of goods

For the 6-month period of 2026, sales of goods of the company amounted to Baht 643.05 million, which increased from the same period of the previous year by Baht 69.45 million or 12.11% and increase from the quarter 1 year 2026 by Baht 27.29 million or 8.86%. The Company adjusted product prices in line with rising raw material costs and optimized its promotional programs to improve their effectiveness. Together with continuous promotional activities carried out throughout the second quarter, these initiatives contributed to increased customer purchases.

The Company's revenue structure remains primarily driven by KJL standard products, including switchboard cabinets, cable trays, plastic products, and 5K product lines. The continued contribution from these core products reflects the Company's strong market position and consistent demand. The Company places significant emphasis on maintaining product quality and ensuring timely delivery, which are key factors supporting customer confidence and repeat orders. As a result, revenue from KJL standard products accounted for 70.80% of total sales revenue for the second quarter of 2026.

Cost of sales

For the 6-month period of 2026, the company's cost of sales amounted to Baht 471.10 million, which increased from the same period of previous year by Baht 79.37 million or 20.26%, compared to the quarter 1 year 2026, the company's cost of sales increased by Baht 16.22 million or 7.13%, in line with the growth in revenue. Despite the uncertainty surrounding the geopolitical situation in the Middle East, which led to higher prices of key raw materials, including steel, powder coating, plastics, and gas, resulting in increased production costs, the Company continued to manage its costs effectively to support its business growth.

Gross profit

For the 6-month period of 2026, the company's gross profit amounted to Baht 171.95 million, a decrease of Baht 9.92 million, or 5.45%, compared to the quarter 1 year 2026, gross profit increased by Baht 11.07 million, or 13.76%. The gross profit margin in quarter 2 year 2026 was 26.74%, which declined compared to the same period last year, primarily due to higher prices of key raw materials resulting from the uncertainty surrounding the geopolitical situation in the Middle East. However, the gross profit margin improved compared to quarter 1 year 2026, as the Company gradually adjusted its selling prices while carefully balancing the need to maintain market share and support customers throughout the value chain during the transition to higher selling price levels.

Selling expenses

For the 6-month period of 2026, the company's selling expenses amounted to Baht 40.39 million, which increased from the same period of previous year by Baht 5.55 million or 15.93%, compared with the same period of the previous year. The increase was primarily attributable to the uncertainty surrounding the geopolitical situation in the Middle East, which led to higher transportation costs and, consequently, an increase in transportation-related expenses. Nevertheless, the selling expense-to-revenue ratio remained at a level comparable to that of the same period of the previous year. Compared to quarter 1 year 2026, the Company's selling expenses decreased by Baht 1.53 million, or 7.30%, mainly due to the optimization of certain marketing expenses, resulting in improved cost efficiency.

The Company has continuously organized seminar activities to promote safety and enhance the capabilities of electricians, engineers, and designers nationwide. These include the "Electricians Power Gathering" seminars, which focus on providing knowledge about proper electrical system installation. During this quarter, the Company held three such seminars in Chiang Mai, Nakhon Ratchasima, Chonburi, and Phuket. In addition, the Company organized "Electricians Power Gathering: Solar Roof" seminars to provide knowledge on the proper installation of rooftop solar power systems. In this quarter, 2 sessions were held in Ayutthaya and Udon Thani.

Administrative expenses

For the 6-month period of 2026, the company's administrative expenses amounted to Baht 50.18 million, which increased from the same period of previous year by Baht 5.13 million or 11.39%. The increase was primarily attributable to investments in human resources to support business expansion, as well as the engagement of sustainability consultants to establish a foundation for conducting business in accordance with the ESG framework and to enhance the Company's organizational standards toward internationally recognized sustainability practices. Nevertheless, the ratio of administrative expenses to revenue remained at a level comparable to that of the same period last year. Compared to the quarter 1 year 2026, the company's administrative expenses decreased by Baht 0.92 million or 3.60%. This decrease was relatively minor and did not have a material impact on the Company's overall operating performance.

Finance cost

For the 6-month period of 2026, the company's finance cost amounted to Baht 3.06 million, which decreased from the same period of previous year by Baht 1.29 million or 29.66%. Compared to the quarter 1 year 2026, the company's finance costs decreased by Baht 2.00 million or 79.05%. The decrease was primarily attributable to the Company's ability to capitalize a larger portion of borrowing costs as part of the cost of qualifying assets, in accordance with the purpose of the related borrowings. In addition, lower interest rates also contributed to the reduction in finance costs.

Net profit

For the 6-month period of 2026, the company's net profit amounted to Baht 64.05 million, which decreased from the same period of previous year by Baht 15.53 million or 19.51%, with a net profit margin of 9.96%. The decline was primarily attributable to the uncertainty surrounding the geopolitical situation in the Middle East, which resulted in higher prices of key raw materials and increased transportation costs. In addition, the expansion of the Company's workforce contributed to higher overall production costs. Nevertheless, the Company continued to manage its costs effectively and further enhanced production efficiency through the implementation of Industry 4.0 manufacturing technologies, supported by investments in automated machinery. These initiatives enabled the Company to improve operational efficiency and maintain effective cost control.

Compared to the quarter 1 year 2026, the company's net profit increased by Baht 12.71 million or 49.51%. This was due to the Company's optimization of its sales promotion programs to enhance effectiveness, while continuing to maintain efficient cost management as described above.

Statement of Financial Position (Unit : Million Baht)

Financial Position	At 30 Jun 2026	At 31 Dec 2025	Inc(Dec)	Inc(Dec)%
Total current assets	530.04	473.87	56.17	11.85%
Total non-current assets	1,091.19	1,072.95	18.24	1.70%
Total assets	**1,621.23**	**1,546.82**	**74.41**	**4.81%**
Total current liabilities	639.04	674.82	(35.78)	(5.30)%
Total non-current liabilities	287.85	181.39	106.46	58.69%
Total liabilities	**926.89**	**856.21**	**70.68**	**8.25%**
Issued and fully paid-up share capital	116.00	116.00	-	0.00%
Share premium	379.97	379.97	-	0.00%
Retained earnings - Appropriated	11.60	11.60	-	0.00%
Retained earnings - Unappropriated	186.77	183.04	3.73	2.04%
Total equity	**694.34**	**690.61**	**3.73**	**0.54%**
Total liabilities and equity	**1,621.23**	**1,546.82**	**74.41**	**4.81%**

Assets

As of June 30, 2026, the company's total assets increased by Baht 74.41 million, or 4.81%, compared to the year ended 2025. The increase was primarily attributable to additional borrowings from financial institutions to provide working capital for the Company's operations and invest in the KJL Innovation Campus (KiN), which is being developed to enhance capabilities in advanced technology and innovation, as well as to expand access to new industries. The project includes the establishment of a Metal Design Lab and a Electrical Total Solution, along with the creation of a Brand Experience to strengthen competitive advantage. This represents a continuation of investments from the previous year. The construction of the facility is expected to be completed in Q3 2026 and an increase in trade receivables, in line with revenue growth.

Liabilities

As of June 30, 2026, the company's total liabilities amounted to Baht 926.89 million, an increase of Baht 70.68 million or 8.25% compared to the year ended 2025. The increase was primarily attributable to higher borrowings from financial institutions to support the Company's working capital requirements.

Equity

As of June 30, 2026, the company's shareholders' equity increased by Baht 3.73 million or 2.04% compared to the year ended 2025. This was attributable to dividend payments and the net profit generated by the Company during the second quarter of 2026.

Liquidity and capital adequacy (Unit : Million Baht)

Cashflow	Quarter 2			
	2026	2025	Inc(Dec)	Inc(Dec)%
Net cash generated from (used in) operating activities	57.59	132.76	(75.17)	(56.62)%
Net cash generated from (used in) investing activities	(85.73)	(166.87)	(81.14)	(48.62)%
Net cash generated from (used in) financing activities	26.12	16.77	9.35	55.75%
Net increase (decrease) in cash and cash equivalents	2.02	(17.34)	15.32	88.35%
Cash and cash equivalents at the beginning of the period	43.48	58.31	(14.83)	(25.43)%
Cash and cash equivalents at the end of the period	41.46	40.97	0.49	1.20%

As of June 30, 2026, the company had net cash and cash equivalents of Baht 41.46 million, an increase of Baht 0.49 million from the beginning of the period. This was primarily due to 1) Net cash generated from operating activities amounted to Baht 57.59 million, which was mainly attributable to cash receipts from sales of goods. 2) Net cash generated from financing activities of Baht 26.12 million, due to borrowings from financial institutions to finance the Company's working capital requirements. 3) Net cash used in investing activities amounted to Baht 85.73 million, primarily due to cash outflows for the construction of the KJL Innovation Campus (KiN) and the acquisition of machinery and equipment.

Key Financial Ratios

Key Financial Ratios	Unit	For the period ended 30 June 2026	For the year ended 31 December 2025	Inc(Dec)
Current Ratio (times)	(time)	0.83	0.70	0.13
Cash Cycle (days)	(day)	59.11	65.08	(5.97)
Debt to Equity ratio (times)	(time)	1.33	1.24	0.09

Current Ratio

For the 6-month period of 2026, the company's liquidity ratio was 0.83 times, an increase of 0.13 times compared to 2025. The improvement was primarily attributable to the increase in current assets, in line with the growth in the Company's sales and business operations. In addition, it reflected the Company's effective working capital management, which supported its business expansion and enabled it to meet increasing customer demand.

Cash Cycle

For the 6-month period of 2026, the company's cash cycle was 59.11 days, a decrease of 5.97 days from 2025. The Company's cash conversion cycle decreased slightly, mainly driven by a reduction in the average collection period, reflecting the Company's ongoing efforts to closely monitor and collect outstanding receivables to ensure timely payment by customers. In addition, the average payment period decreased as a result of more efficient management of trade payables. Consequently, the Company improved its working capital management, leading to a shorter cash conversion cycle.

Debt to Equity Ratio

For the 6-month period of 2026, the company's total debt to equity ratio was 1.33 times, which slightly increased from 2025 to 0.09 times. This was mainly attributable to a slight increase in borrowings from financial institutions.