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KGI

KGI Securities (Thailand) Public Company Limited
and its subsidiaries ("The Group")
Management Discussion and Analysis
Quarter 3 ending 30 September 2026

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1. Overview of economy and industry conditions affecting operations

Summary of Thai stock market for 3Q 2026

During 3Q 2026, the SET Index posted a modest decline, dropped by 2.0% from the end of 2Q 2026. Although domestic factors were generally positive i.e, strong momentum of private investment and exports and also a high degree of political stability, the main index was weighed by rising external uncertainties on US monetary policies, soaring bond yields, Middle-East situations and last but not least a sharp pullback in global technology stocks, which affected DELTA, the largest stock in the SET.

The SET Index was highly volatile in July. While domestic developments were broadly positive, external factors continued to weigh on the sentiment. On the domestic front, several major institutions revised Thai GDP growth upward, supported by improving visibility on measures to promote foreign investment, including the upcoming Thai Individual Saving Account (TISA). However, the market was pressured by sector rotation, as investors shifted from recent outperformers, particularly global technology, toward domestic plays.

The Thai stock market consolidated for most of August before coming under increased selling pressure in the final week. Domestic factors remained positive, supported by stronger-than-expected 2Q2026 GDP growth and corporate earnings, as well as government signals of further measures to stimulate private consumption and domestic tourism. However, global factors remained uncertain and weighed on foreign equity flows, particularly the protracted US-Iran conflict and turbulence in the US bond market, which prompted the US Treasury to introduce a special bond buyback measure.

The Thai stock market was very volatile in September, weakening slightly toward the end of the month due to heightened risk-off sentiment driven by soaring global bond yields and rising uncertainties in the Middle East. As a result, short-term foreign equity flows weakened, with outflows coinciding with the baht's rapid depreciation. In addition, Bangkok and its vicinity experienced flash flooding in the final week of September, triggering renewed concerns over the economy and the asset quality of financial institutions.

2. Summary of important events and developments

2.1 The change in the Company's top executive position title

The Board of Directors' Meeting, has approved the change in top executive position title, from "Chief Operating Officer" ("COO") to "Chief Executive Officer" ("CEO") with no changes to the duties and responsibilities of the Company's top executive.

Language	Top executive name	Previous Title	New Title
Thai	นาย จี้-เซิ่ง หนิว	กรรมการอำนวยการ	ประธานเจ้าหน้าที่บริหาร
English	Mr. Chi-Sheng Niu	Chief Operating Officer	Chief Executive Officer

These changes in top executive position title shall take effect from 11 November 2026, onwards.

2.2 Closure of the Company's branch

The Board of Directors' meeting has acknowledged the closure of the Phetchaburi branch, effective on 31 December 2026. Following this closure, the Company will have 7 branches in operation: 1 branch in Bangkok and 6 branches in other provinces, as follows:

Bangkok	Central	North East	North	South
- Pinklao	- Nakhon Pathom	- Nakhon Ratchasima	- Chiang Mai	- Hat Yai
	- Suphan Buri	- Udon Thani		

3. Summary of operating results

In the third quarter of 2026, the Group had profits attributable to the Company's shareholders of Baht 373 million, a decrease of 6 percent compared to the second quarter of 2026 and an increase of 4 percent compared to the third quarter of 2025.

In the nine-month period of 2026, the Group had profits attributable to the Company's shareholders of Baht 1,089 million, an increase of 55 percent compared to the nine-month period of 2025.

(Unit: Million Baht)	3Q2026	2Q2026	% QoQ	3Q2025	% YoY	9M2026	9M2025	% YOY
Brokerage fees	252	205	23%	165	53%	698	513	36%
Fee and service income	293	332	-12%	310	-6%	981	938	5%
Interest income	73	107	-32%	78	-7%	255	268	-5%
Gains and return on financial instruments	577	624	-8%	568	2%	1,673	1,124	49%
Other income	1	1	4%	1	-20%	3	3	14%
Total income	1,196	1,270	-6%	1,123	7%	3,611	2,846	27%
Employee benefits expenses	359	369	-3%	346	4%	1,064	910	17%
Fee and service expenses	217	219	-1%	192	13%	707	608	16%
Interest expenses	38	68	-45%	20	87%	136	79	72%
Reversal of expected credit losses	-	-	-	-	-	-	(1)	-
Other expenses	116	114	2%	114	1%	340	347	-2%
Total expenses	730	771	-5%	673	8%	2,246	1,943	16%
Profit before income tax	466	499	-7%	450	4%	1,364	903	51%
Income tax	(93)	(101)	-8%	(92)	1%	(275)	(198)	39%
Profit for the period	373	398	-6%	358	4%	1,090	705	55%
Profit attributable to the Company's shareholders	373	398	-6%	358	4%	1,089	704	55%
Basic earnings per share (Baht)	0.19	0.20	-6%	0.18	4%	0.55	0.35	55%

3.1 Income

A. Brokerage fees

In the third quarter of 2026, the Group had brokerage fee income of Baht 252 million, an increase of 23 percent and 53 percent compared to the second quarter of 2026 and the third quarter of 2025, respectively. 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 securities business, due to an increase in trading by retail and foreign clients.

In the nine-month period of 2026, the Group had brokerage fee income of Baht 698 million, an increase of 36 percent compared to the nine-month period of 2025. The increase in income was from brokerage fees from securities business, mainly due to an increase in trading by retail and foreign clients.

B. Fee and service income

In the third quarter of 2026, the Group had fee and service income of Baht 293 million, a decrease of 12 percent compared to the second quarter of 2026, mainly due to a decrease in income from front-end fee.

The fee and service income decreased by 6 percent compared to the third quarter of 2025, mainly due to a decrease in income from front-end fee.

In the nine-month period of 2026, the Group had fee and service income of Baht 981 million, an increase of 5 percent compared to the nine-month period of 2025, mainly due to an increase in income from sales agent of investment units, front-end fee and trailing fee.

C. Interest income

In the third quarter of 2026, the Group had interest income of Baht 73 million, a decrease of 32 percent compared to the second quarter of 2026, mainly due to a decrease in interest income from private repo transactions.

The interest income decreased by 7 percent compared to the third quarter of 2025, mainly due to a decrease in interest income from deposit at financial institutions and Bank of Thailand Bonds.

In the nine-month period of 2026, the Group had interest income of Baht 255 million, a decrease of 5 percent compared to the nine-month period of 2025, mainly due to a decrease in interest income from deposit at financial institutions and Bank of Thailand Bonds.

D. Gains and return on financial instruments

In the third quarter of 2026, the Group had gains and return on financial instruments of Baht 577 million, a decrease of 8 percent compared to the second quarter of 2026. However, it was an increase of 2 percent compared to the third quarter of 2025. This was in accordance with market conditions.

In the nine-month period of 2026, the Group had gains and return on financial instruments of Baht 1,673 million, an increase of 49 percent compared to the nine-month period 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 third quarter of 2026, the Group had employee benefits expenses of Baht 359 million, a decrease of 3 percent compared to the second quarter of 2026, mainly due to a decrease in personnel expenses.

The employee benefits expenses increased by 4 percent compared to the third quarter of 2025, mainly due to an increase in personnel expenses.

In the nine-month period of 2026, the Group had employee benefits expenses of Baht 1,064 million, an increase of 17 percent compared to the nine-month period of 2025, mainly due to an increase in personnel expenses.

B. Fee and service expenses

In the third quarter of 2026, the Group had fee and service expenses of Baht 217 million, similar to the second quarter of 2026.

The fee and service expenses increased by 13 percent compared to the third quarter of 2025, mainly due to an increase in fees paid in respect of securities trading.

In the nine-month period of 2026, the Group had fee and service expenses of Baht 707 million, an increase of 16 percent compared to the nine-month period of 2025, mainly due to an increase in fees paid in respect of securities trading and commission fee.

C. Interest expenses

In the third quarter of 2026, the Group had interest expenses of Baht 38 million, a decrease of 45 percent compared to the second quarter of 2026, mainly due to a decrease in interest paid on private repo transactions.

The interest expenses increased by 87 percent compared to the third quarter of 2025, mainly due to an increase in interest paid on private repo transactions, bills of exchange, borrowings from financial institutions and structured notes.

In the nine-month period of 2026, the Group had interest expenses of Baht 136 million, an increase of 72 percent compared to the nine-month period of 2025. This was due to an increase in interest paid on private repo transactions.

D. Other expenses

In the third quarter of 2026, the Group had other expenses of Baht 116 million, similar to the second quarter of 2026 and the third quarter of 2025.

In the nine-month period of 2026, the Group had other expenses of Baht 340 million, similar to the nine-month period of 2025.

4. Summary of financial position

4.1 Assets

As at 30 September 2026, the Group had total assets of Baht 24,086 million, an increase of 41 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	
	30 Sep 2026	31 Dec 2025	Amount	%
Assets				
Cash and cash equivalents	727	440	287	65%
Securities purchased under resale agreements	3,800	2,095	1,705	81%
Receivables from Clearing House and broker - dealers	495	631	(136)	-22%
Securities and derivatives business receivables	7,671	4,148	3,523	85%
Accrued fees and service income				
from asset management business	105	117	(12)	-10%
Derivative assets	103	30	72	240%
Non-collateralised investments	8,790	6,291	2,499	40%
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	933	1,756	(823)	-47%
Property, plant and equipment	188	221	(34)	-15%
Right-of-use assets	595	679	(84)	-12%
Intangible assets	36	42	(6)	-13%
Goodwill	27	27	-	-
Properties foreclosed	6	6	-	-
Deferred tax assets	161	124	37	30%
Other assets	439	474	(35)	-7%
Total assets	24,086	17,091	6,996	41%

4.2 Liabilities

As at 30 September 2026, the Group had total liabilities of Baht 15,489 million, an increase of 73 percent compared to 31 December 2025. This was mainly due to an increase in payables to Clearing House and broker - dealers, securities and derivatives business payables, securities sold under repurchase agreements, and borrowings from financial institutions, in accordance with market conditions.

Liablities (Million Baht)	Consolidated		Change	
	30 Sep 2026	31 Dec 2025	Amount	%
Liabilities				
Borrowings from financial institutions	1,149	-	1,149	-
Securities sold under repurchase agreements	4,805	3,060	1,745	57%
Payables to Clearing House and broker - dealers	1,625	219	1,406	640%
Securities and derivatives business payables	3,450	1,877	1,572	84%
Accrued fees and service expenses from asset management business	19	26	(7)	-27%
Financial liabilities designated at fair value	226	284	(58)	-21%
Derivative liabilities	301	80	221	275%
Accrued expenses	506	436	70	16%
Current tax liabilities	77	120	(43)	-36%
Debts issued and other borrowings	2,310	1,763	547	31%
Lease liabilities	690	773	(84)	-11%
Provisions for employee benefits	255	244	11	4%
Provisions for liabilities	49	49	-	-
Other liabilities	28	38	(10)	-27%
Total liabilities	15,489	8,969	6,520	73%

4.3 Owners' equity

As at 30 September 2026, the Group had total equity attributable to the Company's shareholders of Baht 8,595 million, an increase of 6 percent compared to as at 31 December 2025. This was mainly due to profit attributable to the Company's shareholders for the nine-month period of 2026 in the amount of Baht 1,089 million, offset by dividend payment from operational result for the year 2025 in the amount of Baht 617 million.

Key financial ratios

Financial Ratio	3Q2026	2Q2026	3Q2025	9M2026	9M2025
Profitability ratios					
Net profit margin (%)	31.18	31.33	31.85	30.17	24.74
Return on equity (%) *	15.12	15.62	12.65	15.12	12.65
Return on investment (%) *	25.89	21.82	24.53	25.89	24.53
Efficiency ratios					
Return on assets (%) *	6.13	5.42	5.86	6.13	5.86
Asset turnover (%) *	21.79	19.20	22.86	21.79	22.86
Financial policy analysis ratio					
Interest Coverage Ratio (times)	14.58	8.98	25.65	12.06	14.18
Debt Service Coverage Ratio (times) *	0.23	0.26	0.82	0.23	0.82
Total liabilities to equity (times)	1.80	1.98	1.11	1.80	1.11

Note

* Annualised the latest four quarters of data

Profitability ratios

In the nine-month period of 2026, the Group's profitability ratios compared favorably with other securities companies. The Group had a net profit margin of 30.17 percent, a return on equity of 15.12 percent and return on investments of 25.89 percent.

Efficiency ratios

In the nine-month period 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 6.13 percent return on assets ratio and a 21.79 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 12.06 times and a debt service coverage ratio of 0.23 times. In addition, the Group has an appropriate capital structure. As at 30 September 2026, it had total liabilities to equity of 1.80 times.

Factors that may affect the Company's credit rating

On June 29, 2026, TRIS Rating affirmed the company rating of KGI Securities (Thailand) Public Company Limited at "A/Stable." This rating reflects a one-notch uplift from the company's stand-alone credit profile (SACP), which is assessed at "a-." The uplift is based on the assessment of KGI Thailand's status as a strategic affiliate of KGI Securities Co., Ltd. In Taiwan (KGI Taiwan, rated "BBB+/Stable" by S&P Global Ratings).

The Company's stand-alone credit rating reflects an "adequate" business profile, alongside a "strong" capital base and profitability. Furthermore, the company maintains a sound funding and liquidity position. While gains from financial instruments may exhibit greater volatility during periods of heightened market turbulence, this revenue stream remains a significant and reasonably stable component of the Company's total earning.

Key Rating Considerations

- Strategic affiliate of KGI Group;
- Revenue diversification supports healthy profitability;
- Dominant position in derivative warrants market;
- Market recovery supports brokerage revenue;
- Wealth business as a growth in fee and service income;
- Strong capital position;
- Adequate funding profile and liquidity position.

Rating Sensitivities

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

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

The Company has enhanced its sustainability as follows:

Month/Year	Sustainability Development
September 2026	**Prioritization of Sustainability Issues for 2026** The Sustainability Committee has analyzed issues of significance to both stakeholders and the Company across 3 dimensions namely Environmental, Social, and Governance & Economics to refine its management practices. This approach ensures that the impacts on all stakeholder groups are taken into account, while simultaneously achieving the Company's business goals and fostering sustainable organizational development.
	Annual Human Rights Due Diligence (HRDD) 2026 The Sustainability Committee conducted a human rights risk assessment for the year 2026, which indicated that the Company's areas of operation decrease within a low-to-moderate level of human rights risk. Following the completion of this assessment. The Company has assessed the potential impacts of these risks and developed measures to mitigate human rights related risk. These measures serve as a framework for minimizing and controlling negative impacts to a low or acceptable level, while also fostering positive outcomes for those affected.
	Participation in the "Corporate Excellence Learning Solution" To foster knowledge and understanding regarding sustainability and sustainable business development, the Company has participated in the "Corporate Excellence Learning Solution" program offered by the Stock Exchange of Thailand (SET), with executives and employees undergoing training via the SET e-Learning platform.
October 2026	**"Cyber Security Awareness 2026" Training** The Company conducted a training course "Cyber Security Awareness 2026" for the employees on 6 October 2026. The objective of the training was to ensure that employees gain knowledge and understanding of various types of cyber threats, as well as their roles and responsibilities in maintaining information security in accordance with Company' policy. Furthermore, it aimed to enable employees to apply the knowledge gained to perform their duties securely. The session was facilitated by a team of a cyber security consultants from Maya Seven Co., Ltd.

<table>
<tr><th>Month/Year</th><th>Sustainability Development</th></tr>
<tr><td>November 2026</td><td>
<u>Review of the Charters of the Board of Directors and Sub-Committees</u>
The Board of Directors meeting acknowledged the review of the charters of the Board of Directors and all five sub-committees as follows:
<u>Results of the reviewing Board Charter</u>
Amended the Company's top executive position title from "Chief Operating Officer" to "Chief Executive Officer," in alignment with the Board approval in no. 2.
<u>Results of the reviewing of the charters of the 5 sub-committees</u>
<table>
<tr><th>Sub-committee</th><th>Reviewing of the Charter 2026</th></tr>
<tr><td>Audit Committee</td><td>The role and responsibilities of the Audit Committee have been revised to align with SEC/SET/IOD Best Practices.</td></tr>
<tr><td>Compensation Committee,
Risk Management Committee</td><td>Amended the Company's top executive position title from "Chief Operating Officer" to "Chief Executive Officer,"</td></tr>
<tr><td>Nomination Committee</td><td>No change</td></tr>
<tr><td>Sustainability Committee</td><td>No change</td></tr>
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<u>Acknowledgment of CGR Assessment Results</u>
The Board of Directors acknowledged the 2026 Corporate Governance (CG) score, as assessed under the Corporate Governance Report (CGR) project for Thai listed companies conducted by the Thai Institute of Directors (IOD). The Company received a rating of "Very Good."
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