Date 12 November 2026

Subject Management Discussion and Analysis of Operating Results for Quarter 3/2026

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 September 2026, which has been reviewed by certified public accountants as follows

Operating Results of the Company (Unit : Million Baht)

Operating Results	Quarter 3		Changed		% of Sales	
	2026	2025	Inc(Dec)	Inc(Dec)%	Q3 2026	Q3 2025
Sales of goods	963.89	861.45	102.44	11.89%	100.00%	100.00%
Cost of sales	(696.60)	(588.90)	107.70	18.29%	(72.27)%	(68.36)%
Gross profit	**267.29**	**272.55**	**(5.26)**	**(1.93)%**	**27.73%**	**31.64%**
Other income	3.11	3.23	(0.12)	(3.72)%	0.32%	0.37%
Selling expenses	(58.62)	(53.01)	5.61	10.58%	(6.08)%	(6.15)%
Administrative expenses	(77.77)	(67.53)	10.24	15.16%	(8.07)%	(7.84)%
Other gain (loss), net	(0.13)	(0.22)	(0.09)	(40.91)%	(0.01)%	(0.03)%
Finance cost	(6.26)	(6.78)	(0.52)	(7.67)%	(0.65)%	(0.79)%
Profit before income tax	**127.62**	**148.24**	**(20.62)**	**(13.91)%**	**13.24%**	**17.21%**
Income tax	(25.86)	(29.85)	(3.99)	(13.37)%	(2.68)%	(3.47)%
Net profit for the period	**101.76**	**118.39**	**(16.63)**	**(14.05)%**	**10.56%**	**13.74%**

Operating Results	Quarter 3 2026	Quarter 2 2026	QoQ		% of Sales	
			Inc(Dec)	Inc(Dec)%	Q3 2026	Q2 2026
Sales of goods	320.84	335.17	(14.33)	(4.28)%	100.00%	100.00%
Cost of sales	(225.50)	(243.66)	(18.16)	(7.45)%	(70.28)%	(72.70)%
Gross profit	**95.34**	**91.51**	**3.83**	**4.19%**	**29.72%**	**27.30%**
Other income	1.02	1.12	(0.10)	(8.93)%	0.32%	0.33%
Selling expenses	(18.23)	(19.43)	(1.20)	(6.18)%	(5.68)%	(5.80)%
Administrative expenses	(27.59)	(24.63)	2.96	12.02%	(8.60)%	(7.35)%
Other gain (loss), net	0.01	(0.01)	(0.02)	(200.00)%	0.00%	(0.00)%
Finance cost	(3.19)	(0.54)	2.65	490.74%	(0.99)%	(0.16)%
Profit before income tax	**47.36**	**48.02**	**(0.66)**	**(1.37)%**	**14.76%**	**14.33%**
Income tax	(9.66)	(9.65)	0.01	0.10%	(3.01)%	(2.88)%
Net profit for the period	**37.70**	**38.37**	**(0.67)**	**(1.75)%**	**11.75%**	**11.45%**

For the operating results for 9-month and 3-month period ended 30 September 2026, total sales revenue of the company amounted to Baht 963.89 million and Baht 320.84 million, accordingly and net profit for 9-month and 3-month period ended 30 September 2026 amounted to Baht 101.76 million and Baht 37.70 million, accordingly. The details are as follows:

Sales of goods

For the 9-month period of 2026, sales of goods of the company amounted to Baht 963.89 million, which increased from the same period of the previous year by Baht 102.44 million or 11.89% and decrease from the quarter 2 year 2026 by Baht 14.33 million or 4.28%. Sales revenue in Q3 2026 decreased slightly compared to the previous quarter, primarily due to the recognition of promotional activities and trade discounts offered during the quarter. Nevertheless, the Company's overall operating performance for the nine-month period continued to demonstrate growth compared to the same period of the previous year. This growth was driven by the Company's adjustments to selling prices to reflect rising raw material costs, alongside the restructuring and optimization of promotional activities to enhance their effectiveness and better target specific customer segments. Furthermore, the Company continued to implement proactive sales promotion activities throughout the quarter, which positively contributed to stimulating purchasing demand and significantly increasing customer order volumes.

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 71.23% of total sales revenue for the third quarter of 2026.

Cost of sales

For the 9-month period of 2026, the company's cost of sales amounted to Baht 696.60 million, which increased from the same period of previous year by Baht 107.70 million or 18.29%, The primary contributing factors were the increases in raw material costs and related expenses, resulting from the ongoing geopolitical uncertainties in the Middle East region.

Compared to the quarter 2 year 2026, the company's cost of sales decreased by Baht 18.16 million or 7.45%. The costs of key raw materials began to show a slight downward trend compared to the previous period. This, coupled with the Company's enhanced measures to manage and control operating costs more effectively, contributed to improved cost management.

Gross profit

For the 9-month period of 2026, the company's gross profit amounted to Baht 267.29 million, a decrease of Baht 5.26 million, or 1.93%, compared to the quarter 2 year 2026, gross profit increased by Baht 3.83 million, or 4.19%. Overall, gross profit for the nine-month period declined due to higher cost of sales, driven by increases in raw material prices and related expenses affected by geopolitical uncertainties in the Middle East, as well as the recognition of costs associated with sales promotion activities. Nevertheless, the Company has gradually implemented selling price adjustments, with the positive effects progressively being reflected in its financial performance. As a result, gross profit and gross profit margin improved compared to the previous quarter. In addition, key raw material costs have begun to decline, supported by improved efficiency in the Company's operating cost management and control measures. These efforts have been undertaken while maintaining market share and providing continuous support to customers throughout the value chain during the transition to the new selling price levels.

Selling expenses

For the 9-month period of 2026, the company's selling expenses amounted to Baht 58.62 million, which increased from the same period of previous year by Baht 5.61 million or 10.58%, 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 2 year 2026, the Company's selling expenses decreased by Baht 1.20 million, or 6.18%, 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 year, the Company held 5 such seminars in Chiang Mai, Nakhon Ratchasima, Chonburi, Phuket and Bangkok. 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 year, 4 sessions were held in Ayutthaya, Udon Thani, Chiang Rai and Chonburi.

Administrative expenses

For the 9-month period of 2026, the company's administrative expenses amounted to Baht 77.77 million, which increased from the same period of previous year by Baht 10.24 million or 15.16% and compared to the quarter 2 year 2026, the company's administrative expenses increased by Baht 2.96 million or 12.02%. The primary contributing factors were 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 elevate the Company's corporate standards toward international sustainability benchmarks. In addition, expenses were incurred in connection with the operations of KJL Innovation Campus (KiN), representing a significant investment in strengthening the Company's innovation capabilities and long-term competitiveness. Nevertheless, the administrative expenses-to-revenue ratio increased slightly but remained relatively stable overall.

Finance cost

For the 9-month period of 2026, the company's finance cost amounted to Baht 6.26 million, which decreased from the same period of previous year by Baht 0.52 million or 7.67%. Compared to the quarter 2 year 2026, the company's finance costs increased by Baht 2.65 million or 490.74%. The main reasons were the reduced amount of interest expense that the Company could capitalize as part of asset costs, in accordance with the purpose of the borrowings, together with an increase in borrowings.

Net profit

For the 9-month period of 2026, the company's net profit amounted to Baht 101.76 million, which decreased from the same period of previous year by Baht 16.63 million or 14.05%, with a net profit margin of 10.56%. The primary contributing factors were geopolitical uncertainties in the Middle East, which led to increases in key raw material prices and transportation costs, as well as higher operating expenses resulting from strategic investments to support business expansion. Nevertheless, the Company continued to manage its costs appropriately and adopted Industry 4.0 production control technologies through investments in automated machinery. These initiatives enhanced production efficiency and enabled more effective cost control.

Compared to the quarter 2 year 2026, the company's net profit decreased by Baht 0.67 million or 1.75%. On a quarterly basis, the Company has demonstrated a clear and continuous recovery trend compared to previous quarters, dating back to Q4 2025. This reflects the effectiveness of the Company's selling price adjustments, optimization of sales promotion strategies, and efficient cost management measures, which have begun to generate positive results for the Company.

Statement of Financial Position (Unit : Million Baht)

Financial Position	At 30 Sep 2026	At 31 Dec 2025	Inc(Dec)	Inc(Dec)%
Total current assets	526.23	473.87	52.36	11.05%
Total non-current assets	1,110.73	1,072.95	37.78	3.52%
Total assets	**1,636.96**	**1,546.82**	**90.14**	**5.83%**
Total current liabilities	639.74	674.82	(35.08)	(5.20)%
Total non-current liabilities	299.97	181.39	118.58	65.37%
Total liabilities	**939.71**	**856.21**	**83.50**	**9.75%**
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	189.68	183.04	6.64	3.63%
Total equity	**697.25**	**690.61**	**6.64**	**0.96%**
Total liabilities and equity	**1,636.96**	**1,546.82**	**90.14**	**5.83%**

Assets

As of September 30, 2026, the company's total assets increased by Baht 90.14 million, or 5.83%, 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 building was completed in Q3 2026. In addition, trade receivables increased in line with revenue growth.

Liabilities

As of September 30, 2026, the company's total liabilities amounted to Baht 939.71 million, an increase of Baht 83.50 million or 9.75% 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 September 30, 2026, the company's shareholders' equity increased by Baht 6.64 million or 0.96% compared to the year ended 2025. This was attributable to dividend payments and the net profit generated by the Company during the third quarter of 2026.

Liquidity and capital adequacy (Unit : Million Baht)

Cashflow	Quarter 3			
	2026	2025	Inc(Dec)	Inc(Dec)%
Net cash generated from (used in) operating activities	84.57	168.32	(83.75)	(49.76)%
Net cash generated from (used in) investing activities	(129.24)	(233.16)	(103.92)	(44.57)%
Net cash generated from (used in) financing activities	15.37	46.34	(30.97)	(66.83)%
Net increase (decrease) in cash and cash equivalents	**(29.30)**	**(18.50)**	**(10.80)**	**(58.38)%**
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	**14.18**	**39.81**	**(25.63)**	**(64.38)%**

As of September 30, 2026, the company had net cash and cash equivalents of Baht 14.18 million, a decrease of Baht 25.63 million from the beginning of the period. This was primarily due to 1) Net cash generated from operating activities amounted to Baht 84.57 million, which was mainly attributable to cash receipts from sales of goods. 2) Net cash generated from financing activities of Baht 15.37 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 129.24 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 September 2026	For the year ended 31 December 2025	Inc(Dec)
Current Ratio (times)	(time)	0.82	0.70	0.12
Cash Cycle (days)	(day)	65.07	65.08	(0.01)
Debt to Equity ratio (times)	(time)	1.35	1.24	0.11

Current Ratio

For the 9-month period of 2026, the company's liquidity ratio was 0.82 times, an increase of 0.12 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 9-month period of 2026, the company's cash cycle was 65.07 days, a decrease of 0.01 days from 2025. The Company's cash conversion cycle remained broadly in line with the previous year, with a decrease in the average collection period, reflecting the Company's continuous efforts to monitor and follow up on outstanding receivables to ensure timely debt repayment. Meanwhile, the average payment period also decreased to a level close to the average collection period, reflecting more efficient trade payable management. As a result, the Company was able to improve its working capital management, leading to a slightly shorter cash conversion cycle.

Debt to Equity Ratio

For the 9-month period of 2026, the company's total debt to equity ratio was 1.35 times, which slightly increased from 2025 to 0.11 times. This was mainly attributable to a slight increase in borrowings from financial institutions.