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

Overall Group Performance

Hana Microelectronics Group 'Hana' Sales Revenue increased 38% year on year to THB 7,297 million for the third quarter of 2026 from THB 5,295 million for the third quarter 2025. Sales Revenue in USD terms increased 34% to USD 220 million in Q3 2026 from USD 164 million in Q3 2025. Normalised Profit increased 1,308% to THB 536 million in Q3 2026 from THB 38m in Q3 2025.

Net Profit increased to THB 693 million in Q326 from THB 15 million in Q325, due to higher sales revenue, higher gross profit and exchange gain in Q326 whereas Q325 had an exchange loss.

Sales Revenue THB '000	**Quarter Q326**		**Quarter Q325**		**Q326-Q325**	**% Q326-Q325**
PCBA (Lamphun, Thailand)	3,827,230	52%	2,486,671	48%	1,340,559	54%
PCBA (Jiaxing, China)	695,388	10%	545,522	10%	149,867	27%
PCBA (Cambodia)	232,496	3%	131,892	2%	100,604	76%
IC (Ayutthaya, Thailand)	1,752,984	24%	1,395,820	26%	357,164	26%
IC (Jiaxing, China)	139,007	2%	312,208	6%	(173,201)	-55%
HTI (Ohio, USA)	530,905	7%	344,716	7%	186,189	54%
IC Korea	118,726	2%	77,858	1%	40,868	52%
Total Revenue	7,296,737	100%	5,294,686	100%	2,002,050	38%

Sales Revenue Analysis

Year on Year Sales Revenue Analysis

Quarter 3 2026 sales revenue for the group increased 34% year-on-year in USD terms to USD 220 million from USD 164 million in Q325. The average exchange rate for Q326 was -3% weaker at THB/USD 33.2 from THB/USD 32.3 in Q325. As a result, the sales revenue in THB terms increased 38% year on year for the quarter.

YEAR-on-YEAR, in USD terms, the microelectronics divisions sales increased by 45%. Sales in Lamphun increased 50%, Jiaxing increased by 20% and Cambodia increased 75% year on year.

The IC divisions sales revenues increased 8% in Q326, with revenues of the IC division in Ayutthaya increasing 22% and Jiaxing decreasing -57%. Power Master Semiconductor 'PMS', in Korea, sales revenue increased 47%. Hana Technologies Inc. 'HTI' the Microdisplay/RFID operation in Ohio sales revenue increased 50% in Q326 from Q325.

Quarter on Quarter Sales Revenue Analysis

QUARTER-on-QUARTER, in USD terms, sales for the group increased 33% to USD 220 million in Q326 from USD 165 million in Q226. Sales in the microelectronics divisions increased 53% with Lamphun increasing 59%, Jiaxing increasing 23% and Cambodia increasing 66%. Sales revenues from the IC divisions increased 4% in Q326 from Q226 with Ayutthaya sales increasing 14% and Jiaxing IC sales decreasing by -50%.

PMS sales increased 25% in Q326 compared to Q226. HTI sales increased 14% in Q326 compared to Q226.

Sales Revenue Split	**Q3 2026**	**Q2 2026**	**Q1 2026**	**Q4 2025**	**Q3 2025**
PCBA (Lamphun, Thailand)	52%	43%	46%	47%	48%
PCBA (Jiaxing, China)	10%	10%	10%	12%	10%
PCBA (Cambodia)	3%	3%	3%	2%	2%
IC (Ayutthaya, Thailand)	24%	28%	25%	25%	26%
IC (Jiaxing, China)	2%	5%	8%	7%	6%
HTI (Ohio, USA)	7%	9%	7%	6%	7%
IC Korea	2%	2%	1%	1%	1%
	100%	**100%**	**100%**	**100%**	**100%**

Gross Profit / Cost of Sales Analysis

The Gross Profit margin increased 6.2% points to 12.2% in Q326 from 6.0% Q325, due to increased sales revenues and a weaker THB/USD exchange rate.

Normalised Profit Analysis, Sales and Administration Analysis

Year-on-year Normalised Profit, was 1,308% higher at THB 536 million in Q326 compared to THB 38 million in Q325, mainly due to increase in gross profit in Q326. The Normalised Profit margin increased to 7.3% in Q326 from 0.7% in Q325. SG&A expenses increased 27% in Q326 compared to Q325.

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 Q326 was THB/USD 33.24, Q325 was THB/USD 32.29, (Q226 was THB/USD 32.60).

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 33.55 at 30/09/26, and THB/USD 32.30 at 30/09/25 (33.10 at 30/06/26) or the respective rate applicable to each offshore subsidiary's base currency.

Payout Analysis

No dividends were paid out during the quarter.

Financial Status

Net Cash reserves and financial investments were THB 10.6 billion at the 30th September 2026 down from THB 11.2 billion at the 30th September 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 59 days at 30th September 2026, and 81 days in 2025.

Trade Receivables	THB '000	**30 June 26**	**30 June 25**
Less than 3 months		4,948,909	3,862,739
3 - 6 months		76,489	374,304
6 - 12 months		42,804	86,091
More than 12 months		47,019	2,101
Total accounts receivable - other companies		5,115,221	4,325,235
Less: Allowance for doubtful accounts		(93,671)	(6,711)
		5,021,550	**4,318,524**

Included in allowance for doubtful debts is THB 54 million 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 114 days as at 30th September 2026 and 111 days as at 30th September 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 42 days in Q326, 58 days in Q325.

Liquidity

Liquidity Current ratio is over 3 times current liabilities. Operating Cashflow (Recurring Adjusted EBITDA) in Q3 2026 was THB 893 million which was 133% higher than Q3 2025 at THB 384 million.

Capital Expenditure

Capital Expenditure was THB 398 million in Q3 2026 and THB 133 million in Q3 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.