

Management Discussion and Analysis of TMH Telecom Public Company Limited

for the Year ended 31st March,2025

The following Management Discussion and Analysis (“MD&A”) is based on the financial Statements of TMH Telecom Public Company Limited for the year ended on 31st March 2025, FY 2024-25 and should be read in conjunction with those Financial Statements.

All currency amounts in the MD&A are expressed in Myanmar Kyats unless otherwise specified.

Results Summary

Summary of Income Statement (All amount in MMK'000)

	April '2024 to March'2025	April '2023 to March'2024	% change
Revenue	5,888,008	7,251,442	(19%)
Cost of Goods Sold	(4,802,711)	(5,137,399)	(7%)
Gross Profit	1,085,297	2,114,043	(49%)
Other Income	541,676	320,727	69%
Expenses	(2,803,579)	(2,306,196)	22%
Share of profit of Associates and JVs	9,540	76,815	(88%)
Profit before Tax	(1,167,066)	205,389	(668%)
Tax Expense	-	(21,858)	(100%)
Net Profit after Tax	(1,167,066)	183,531	(736%)
Other Comprehensive Income for the Year	-	-	-
Fair value adjustment of Investments	(17,325)	9,240	(288%)
Total Comprehensive Income for the Year	(1,184,391)	192,771	(714%)
Earning Per Share (Basic EPS)	-	14	-

Due to the situations in Myanmar, some projects have been suspended for unexpected risks. Moreover, as of the instability of the region in Northern Shan State, the prepaid top-up card productions and distributions are temporarily suspended in that region. For these reasons, the company's total revenue for the fiscal year ended on March 31, 2025, was MMK 5.89 billion, which represents a decrease compared to the revenue for the previous fiscal year which ended on March 31, 2024. Although the revenue from mobile projects increased by 18% compared to the previous fiscal year, revenue from the production, sale, and distribution of mobile top-up card, as well as revenue from other project activities, decreased by 56% and 28%, respectively, which compared to the previous fiscal year.

As of the decline in revenue for the current fiscal year (2024-25), the cost of goods sold decreased by 7% compared to the previous fiscal year. However, due to rising raw material costs and fluctuations in the exchange rate, the cost of goods sold increased to 82% of the current fiscal year's revenue. Consequently, the gross profit margin decreased to 18%, amounting to MMK 1.09 billion, which represents 49% decline compared to the previous fiscal year.

Regarding to other mobile projects, the company's other income for this fiscal year was MMK 0.54 billion.

According to the Myanmar GT broadband company's unaudited financial statement, the share of profit of Associates was MMK 0.01 billion in FY 2024-25.

During the current financial year, the company has more effectively controlled operating expenses, administrative and general expenses, as well as sales and marketing costs compared to previous fiscal year. Despite these efforts, the company incurred a total comprehensive loss of MMK 1.18 billion. This reported loss of MMK 1.18 billion includes a loss of MMK 0.47 billion caused by the damage of operating equipment and materials at the Naypyidaw warehouse resulting from the earthquake on 28th March 2025.

In determining the value of investments, the company has re-evaluated the shares purchased from First Myanmar Investment Co., Ltd (FMI) according to Myanmar Accounting Standards. The re-evaluation is based on the market price of the shares as reflected in the stock market at the time of the financial year-end on 31st March, 2025.

Summary of Balance Sheet (All amount in MMK'000)

	March 31,2025 Ks'000	March 31,2024 Ks'000	% Change
Assets			
Non-Current Assets	2,903,057	2,570,580	13%
Current Assets	10,845,386	12,810,946	(15%)
Total Assets	13,748,443	15,381,526	(11%)
Equity & Liabilities			
Equity	12,849,447	14,121,775	(9%)
Current Liabilities	898,996	1,259,752	(29%)
Total Equity & Liabilities	13,748,443	15,381,526	(11%)

The company's current assets as of March 31, 2025, at the end of this fiscal year, is amounted to MMK 10.85 billion which compared to MMK 12.81 billion in the previous fiscal year, this represents a decrease of 15%. The reason for this decline is due to the reduction in inventory, the reclassification of advance payments as expenses, and the transfer of certain items from the inventory of goods to the fixed assets list as usable business materials.

The non-current assets as of March 31 2025, at the end of this fiscal year, is amounted to MMK 2.90 billion which compared to MMK 2.57 billion in the previous fiscal year, this represents an increase of 13%. The reason for this increase is the transfer of certain items from the inventory of goods to the fixed assets list as usable business materials.

The company's current liabilities decreased from MMK 1.26 billion in FY (2023-24) to MMK 0.9 billion in FY (2024-25). This decrease is due to the advance payments received from customers being recorded as revenue upon the completion of the projects and due process.

As of March 31, 2025, at the end of this fiscal year, the company's equity has decreased by 9%. The reason for these decreases is that the business incurred a loss of MMK 1.18 billion during this fiscal year.

Review and Going Forward

The Management of the company would like to report that, despite we are facing a huge challenges of business uncertainties, we are constantly working together with our operation team to explore new projects areas, new market and other investment opportunities to achieve better outcomes for all stakeholders.

In the coming fiscal year, we will afford carefully to analyze the strengths and weakness of our business area to achieve the best results of the business performance.

By order of the Board,

Thiha Lwin

Managing Director

30th June, 2025.