

**Management Discussion and Analysis of TMH Telecom Public Company Limited**
**for the Year ended 30<sup>th</sup> September,2025 (HY 2025-26)**

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 30<sup>th</sup> September 2025, HY 2025-26 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 '2025 to September'2025	April '2024 to September'2024	% change
Revenue	1,863,864	1,923,415	(3%)
Cost of Goods Sold	(1,493,167)	(1,785,949)	(16%)
Gross Profit	370,697	137,466	170%
Other Income	187,665	279,688	(33%)
Expenses	(1,081,325)	(1,058,764)	2%
Profit before Tax	(522,964)	(641,611)	(18%)
Tax Expense	-	-	-
Net Profit after Tax	(522,964)	(641,611)	(18%)
Other Comprehensive Income for the Year	-	-	-
Fair value adjustment of Investments	6,930	(1,155)	700%
Total Comprehensive Income for the Year	(516,034)	(642,766)	(20%)
Earning Per Share (Basic EPS)	-	-	-

The company's total revenue for the fiscal half-year ended on September 30, 2025, was MMK 1.86 billion, representing only a 3% decrease compared to the revenue for the previous half-year ended on 30<sup>th</sup> September 2024. The primary reason for the decline in total revenue was that, while revenue from Telecom related Maintenance project increased by 16% compared to the previous fiscal half-year, revenue from the production, sale, and distribution of mobile top-up card, as well as revenue from other project activities, decreased by 23% and 39%, respectively, when compared to the previous fiscal half-year.

Although revenue for the current fiscal half-year (FY 2025–26) decreased by only 3%, the cost of sales which is directly proportional to revenue decreased by 16% compared to the previous fiscal half-year. This reduction was due to improved cost control and more effective management practices. As a result, the company's gross profit increased from MMK 0.14 billion in the previous fiscal half-year to MMK 0.37 billion in the reporting period, showing a significant improvement over the previous fiscal half-year.

Other income related to the mobile project operations amounted to MMK 0.19 billion in this financial half-year, representing a 33% decrease compared to the previous half-year.

Due to careful monitoring and utilization of operating expenses, including administrative and general expenses and marketing expenses, total expenses increased by only 2% compared to the previous half-year. Therefore, the Company's loss for the reporting half-year decreased by 18% compared to the previous financial half-year.

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 30<sup>th</sup> September 2025.

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

	September 30,2025 Ks'000	September 30,2024 Ks'000	% Change
<b>Assets</b>			
Non-Current Assets	3,113,538	3,546,466	(12%)
Current Assets	9,874,562	11,680,373	(15%)
<b>Total Assets</b>	<b>12,988,099</b>	<b>15,226,838</b>	(15%)
<b>Equity &amp; Liabilities</b>			
Equity	12,333,414	13,479,009	(8%)
Current Liabilities	654,686	1,747,829	(63%)
<b>Total Equity &amp; Liabilities</b>	<b>12,988,099</b>	<b>15,226,838</b>	(15%)

Mainly due to reduction in inventories, timely collection of receivables, and offsetting advance payments against payables during the period, the company's current assets for the fiscal half-year ended 30 September 2025 amounted to MMK 9.87 billion, representing a 15% decrease compared to MMK 11.68 billion in the previous fiscal half-year.

The company's non-current assets for the fiscal half-year ended on 30 September 2025 amounted to MMK 3.11 billion, reflecting a 12% decrease compared to MMK 3.55 billion in the previous fiscal half-year. This decline was primarily due to lower profit received from the associate company (Myanmar GT Broadband Company Limited), the disposal of four old company-owned vehicles, and asset losses resulting from the earthquake on 28 March 2025, which damaged company equipment stored at the Nay Pyi Taw warehouse.

The company's current liabilities decreased from MMK 1.75 billion in the previous fiscal half-year (FY 2024–25) to MMK 0.65 billion in the reporting half-year (FY 2025–26). This decrease was mainly due to advance payments received from customers being recognized as revenue upon the completion of project milestones and due process.

For the fiscal half-year ended on 30 September 2025, the company's equity decreased by 8%, primarily due to the MMK 0.52 billion loss incurred during the reporting period.

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## Review and Going Forward

The board of directors of TMH Telecom Public Company limited would like to report in the previous financial year due to the unstable political situation, the company incurred significant losses due to the suspension of internet services providing and the sales and distribution of mobile top up cards operations in the Northern Shan State.

Furthermore, as a result of the earthquake that occurred on 28 March 2025, the company incurred losses due to the damage of inventories stored at the Nay Pyi Taw warehouse, as well as repairing cost associated with the facility.

Despite these challenges, the company's management team managed and controlled the expenditure effectively. As a result, the company's operating loss decreased by 18% in the first half of the 2025–2026 financial year, while gross profit improved by 170%.

Moreover, with the establishment of new market development teams, the company was able to pursue several promising new projects, resulting in only a 3% decline in revenue.

The Board of Directors of the company would like to inform all stakeholders and shareholders that the company continues to implement initiatives in line with the company's mission and vision, including identifying new promising projects, strengthening the company's operations, and continuously monitoring market conditions.

By order of the Board,

Thiha Lwin

Managing Director

31<sup>st</sup> December, 2025.