

**Management Discussion And Analysis of TMH Telecom Public Company Limited
For the Year ended 30th September,2019**

The following Management Discussion and Analysis (“MD&A”) is based on Financial Statements of **TMH Telecom Public Limited** for the year ended 30th September 2019 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 Income Statement
All Amount in K’000

	FY 2019	HY (2018-19)	% Change
	Ks’ 000	Ks’ 000	
Revenue	2,968,196	5,437,437	-45.4%
Costs of Good Sold	(1,501,064)	(3,753,253)	-60.0%
Gross Profit	1,467,132	1,684,184	-12.9%
Other Income	288,572	62,087	
Expense	(1,359,854)	(1,046,553)	29.9%
Profit Before Tax	395,849	699,717	-43.4%
Tax Expense	(79,169)	(346,935)	-77.2%

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Net Profit After Tax	316,679	352,782	-10.2%
Fair value adjustment of Investments	32,340		
Total Comprehensive Income	349,019	352,782	
Basic EPS (MMK)	25	29	

The revenue in the period was ks. 2.9 billion and it was lower than the ks. 5.4 billion recorded in prior HY 2018-19 (April 2018 to September 2018) . However, although the total revenue of the period was decreased, the gross profit margin and net profit margin for the Six-months ended 30th September 2019 increased over the same previous comparative period. This was mainly due to management focused on the projects which will generate reasonable return to the company in the long term and applied cost control strategies effectively to keep expenses down and increase the profits.

Fair value adjustment of available-for-sale investments during this Period was mainly due to the Company's investments in First Myanmar Investment Co., Ltd. (FMI) which has quoted market price. The decrease in earnings per share was mainly due to the increasing number of shares outstanding which was caused by the issue of bonus shares 0.61 million during the Period.

Summary Balance Sheet

	FY 2019	HY (2018-19)	% Change
	Ks' 000	Ks' 000	
Assets			
Total Non-Current Assets	3,903,955	4,912,036	-20.5%
Total Current Assets	13,396,159	13,220,766	1.3%
Total Assets	17,300,114	18,132,803	-4.6%
Equity & Liabilities			
Total Equity	15,827,361	16,034,342	-1.3%
Total Liabilities	1,472,752	2,098,461	-29.8%
Total Equity & Liabilities	17,300,114	18,132,803	-4.6%

The 1.3% rise in current assets was primarily due to the purchase of inventory for the project to use in near future. The decrease in 20.5% in non-current assets was due to the received cash from investment which completed contract agreement.

Total liabilities have decreased due to revenue recognition of advance from customer are recognized as revenue only after completion of contract arrangements and due process.

Review and Going Forward

The management of the company (TMH) would like to report that in the period FY 2019 (April 2019 – September 2019), management mainly focused on more profitable long term projects and reduce some projects which didn't contribute much to the return of the company. As a result, the total revenue decreased in FY 2019 (April 2019 – September 2019) compared with the previous HY 2018 – 2019 (April 2018 – September 2018). However, although the total revenue decreased, net profit margin has increased and enhanced the productivity of the company.

Moreover, the board considered that the company should diversify into new potential business areas besides from the company's main telecommunication business such as electricity business and Media and Entertainment business to increase the benefits of our shareholders. Thus, some business activities for these two new business areas have been processed and management will continue to grow all these business with the best efforts in the future to meet the strategic goal of the organization.

By order of the Board

Thiha Lwin

Managing Director

27th December, 2019



TMH TELECOM PUBLIC COMPANY LIMITED

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