

**Management Discussion and Analysis of TMH Telecom Public Company Limited
For the Year ended 31st March, 2021**

The following Management Discussion and Analysis (“MD&A”) is based on Financial Statements of **TMH Telecom Public Limited** for the year ended 31st March 2021 HY (2020-2021) 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 K’000

	HY 2020-21	HY 2019-20	% Change
	Ks’ 000	Ks’ 000	
Revenue	1,570,588	2,984,114	-47%
Cost of Goods Sold	(903,276)	(1,551,268)	-42%
Gross Profit	667,312	1,432,846	-53%
Other Income	87,647	175,950	-50%
Expense	(838,060)	(1,168,764)	-28%
Profit/(Loss) Before Tax	(83,101)	440,033	-119%
Tax Expense		(88,007)	

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Net Profit/ (Loss) After Tax	(83,101)	352,026	-124%
Fair value adjustment of Investments	(80,85)	(17,325)	-53%
Total Comprehensive Income	(91,186)	334,701	-127%
Basic EPS (MMK)		27	

TMH Company's revenues for the first half of this fiscal year (2020 – 2021) was MMK 1.4 billion lower than the previous half of the fiscal year (2019-2020). This was mainly due to the impact of Covid-19 pandemic and the current situation in Myanmar. It led business such as fiber optic installation and top - up card distribution have some limitations on implementation. Other incomes had been decreased to 0.09 billion compared to previous fiscal year. The following table is shown the details of revenue segments of the company.

	HY 2020-21	HY 2019-20
	Ks'000	Ks'000
- IFM project	948,872	1,014,375
- Fiber Project		547,736
- Mobile Project	305,817	566,692
- Other Project	315,899	855,311

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However, the company's net loss before tax was MMK 0.08 billion in this half of the fiscal year (2020-2021) and the operating and administrative expense was lower than the previous fiscal year. Fair value adjustment of available-for-sale investments for First Myanmar Investment Co., Ltd. (FMI) shares was adjusted according to the market price in the closing date of this half of the fiscal year.

Summary of Balance Sheet

	HY 2020-2021	HY 2019-2020	% Change
	Ks' 000	Ks' 000	
Assets			
Total Non-Current Assets	3,797,754	3,916,098	-3%
Total Current Assets	12,592,927	12,970,585	-3%
Total Assets	16,390,681	16,886,683	-3%
Equity & Liabilities			
Total Equity	15,265,895	16,081,918	-5%
Total Liabilities	1,124,786	804,765	40%
Total Equity & Liabilities	16,390,681	16,886,683	-3%

The reason of the decrease of the current assets by 3% in this half of fiscal year (2020-2021) was some of the expenditure had been recognized as cost of goods sold. The Non-current assets also decreased by 3% in this half of fiscal year (2020-2021) was due to the fair value measurement of share value on other investments.

The current liabilities in HY (2020-21) increased to MMK 1.1 Billion as of 31st March 2021 was caused by the tax obligations to be paid in the next financial period.

Review and Going Forward

The management of the Company (TMH) would like to report that during Covid-19 pandemic and current situation in Myanmar, some of the new projects have been suspended and business such as prepaid top-up card distribution and fiber optic installation services have some limitations on operation. This caused negative impacts on our financial results of this half of the fiscal year. However, the Management team is keen on working with employees to ensure that the benefits of our shareholders and manage the costs and resources of the business to make it more efficient and economically viable during this difficult times.

Although the sales and distributions of prepaid top-up card in this period was decreased, our BTS maintenance projects are running stably and regularly. The broadband internet users of Myanmar GT Broadband Co., Ltd, one of our associate company, has increased in the period.

Moreover, the management team of the company (TMH) will continue to implement the potential new projects in related business areas of the company and grow all these business with best efforts to achieve better outcomes in the second half of the financial year.

By order of the Board,

Thiha Lwin

Managing Director

30th June, 2021