

**Management Discussion and Analysis of TMH Telecom Public Company Limited**
**For the Year ended 30<sup>th</sup> September'2021**

The following Management Discussion and Analysis ("MD&A") is based on Financial Statements of TMH Telecom Public Company Limited for the year ended 30<sup>th</sup> September 2021 FY (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)**

	FY 2020-2021	FY 2019-2020	% Change
	Ks' 000	Ks' 000	
Revenue	3,007,792	5,628,880	-47%
Cost of Goods Sold	(2,303,569)	(3,166,327)	-27%
<b>Gross Profit</b>	<b>704,223</b>	<b>2,462,553</b>	<b>-71%</b>
Other Income	184,949	330,327	-44%
<b>Expense</b>	<b>(1,593,012)</b>	<b>(2,118,817)</b>	<b>-25%</b>
Profit/(Loss) Before Tax	(703,840)	674,064	-204%
Tax Expense		(134,813)	

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<b>Net Profit/(Loss) After Tax</b>	(703,840)	539,251	-231%
Fair value adjustment of Investments	(13,860)	(17,325)	-20%
Share of profit of Associates and JVs	130,316		
<b>Total Comprehensive Income</b>	(587,384)	521,926	-213%
<b>Basic EPS (MMK)</b>		42	

The revenue in FY (2020 - 2021) which ended on 30<sup>th</sup> September 2021 was Ks.3.0 billion and it was lower than the previous FY (2019-2020) which ended on 30 September, 2020.

	<b>FY (2020-2021)</b>	<b>FY (2019-2020)</b>
	<b>Ks'000</b>	<b>Ks'000</b>
- IFM Project	1,908,964	2,012,325
- Fiber Project		622,253
- Mobile Project	623,259	974,353
- Others Project	475,569	2,019,949
<b>Total</b>	<b>3,007,792</b>	<b>5,628,880</b>

The other income which has decreased 44% was mainly due to the interest income in this FY (2020-2021). As the revenue has decreased in FY ((2020-2021), the operation costs and administration, selling and distribution expenses have decreased by 27% and 25% respectively. Therefore, because of the COVID-19 pandemic situation and the current situation in Myanmar, the company's net loss in FY (2020-2021) occurs Ks. 0.7 Billion.

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 share of profit of Associates from Myanmar GT Broadband Company Limited was Ks.0.13 Billion in FY (2020-2021) which ended on 30<sup>th</sup> September 2021.

**Summary of Balance Sheet (All Amount in K'000)**

Assets	FY 2020-2021	FY 2019-2020	% Change
	Ks' 000	Ks' 000	
Total Non-Current Assets	3,867,415	3,862,319	0.13%
Total Current Assets	11,802,921	13,497,449	-12.55%
<b>Total Assets</b>	<b>15,670,336</b>	<b>17,359,767</b>	<b>-9.73%</b>
<b>Equity &amp; Liabilities</b>			
Total Equity	14,807,490	16,260,081	-8.93%
Total Liabilities	862,846	1,099,686	-21.54%
<b>Total Equity &amp; Liabilities</b>	<b>15,670,336</b>	<b>17,359,767</b>	<b>-9.73%</b>

The Current Assets decreased by 12.55% in FY (2020-2021) was due to the limited purchase of inventory related to Top-Up card distribution. The Non-Current Assets increased by 0.13% in FY (2020-2021). This was mainly due to the share of profit of Associates from Myanmar GT Broadband Company Limited.

The liabilities decreased by 21.54% was due to the advance from customers are recognize as revenue only after the completion of the projects and due process.

## Review and Going Forward

The management of the Company (TMH) would like to report that during Covid-19 pandemic and political crises in Myanmar, our top priority is to safeguard the health, safety and security of our employees. Although in difficult situation, we try to connect people through our telecommunication networks.

Many projects have been suspended due to the current situation, and it impacts the financial results of our company in this FY (2020-2021). However, the Management team is trying to ensure the benefits of our shareholders and manage the costs and resources of the business to make it more efficiently and economically viable during this difficult times.

Our telecom maintenance projects are still running stably and regularly. The broadband internet users of Myanmar GT Broadband Co., Ltd, one of our associate company, has increased in this fiscal year and it generates some profits for the company.

Moreover, the management team of the company (TMH) will continue to implement all the business with best efforts to achieve positive outcomes for coming fiscal year.

By order of the Board

Thiha Lwin

Managing Director

30 December, 2021.