

**Management Discussion and Analysis of TMH Telecom Public Company Limited
for the six-months period ended on 31st March 2022**

The following Management Discussion and Analysis (“MD&A”) is based on the Financial Statements of **TMH Telecom Public Company Limited** for the year which ended on 31st of March 2022 FY (2021-2022) **mini-budget year** 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.

Due to the change in Myanmar’s financial year, the Company changed its financial year started from 1st of October 2021 to 31st of March 2022 in FY (2021-2022) for the six months (Mini-budget year). A new financial year will be started from 1st of April 2022 to 31st March of 2023 in FY (2022-2023). So all shareholders should review the financial statements based on the changes of financial periods of the year.

Results Summary

Summary of Income Statement (All amount in K’000)

	FY 2021-2022(Mini) Oct 2021 to Mar 2022 (Ks’000)	HY (2020-21) Oct 2020 to Mar 2021 (Ks’000)	%Change
Revenue	2,698,003	1,570,588	72%
Cost of Goods Sold	(1,755,515)	(903,276)	94%
Gross Profit	942,488	667,312	41%
Other Income	214,355	87,647	145%
Administration Expenses	(1,259,871)	(838,060)	50%
Profit/ (Loss) before Tax	(103,028)	(83,101)	24%
Other Comprehensive Income for the Year			
Fair value adjustment of Investments	(8,085)	(8,085)	
Total Comprehensive Income for the Year	(111,113)	(91,186)	22%

Revenue in FY(2021-2022) which ended on 31st March 2022 was MMK 2.6 billion and it increased significantly which was 72% greater than compared to the previous half of the fiscal year HY (2020-2021).

The following figures are shown the details of revenue segments of the TMH.

	FY 2021-2022 Oct 2021 to Mar 2022 (Ks'000)	HY (2020-21) Oct 2020 to Mar 2021 (Ks'000)
IFM Project	944,419	948,872
Fiber Project	18,735	
Mobile Project	336,067	305,818
Other Project	1,398,782	315,898
	2,698,003	1,570,588

Even though the cost of goods sold has increased from MMK 0.9 billion in HY 2020-2021 to 1.7 billion in FY 2021-2022, the total gross profit increased by 41% from MMK 0.6 Billion to MMK 0.9 Billion respectively. Due to DTR cash deposit incentive from Mobile project, other income was increased to MMK 0.2 Billion in FY 2021-2022. Because of higher operating fixed costs and the impact of currency fluctuations, the loss amount occurred MMK 0.1 Billion in FY 2021-2022 compared to MMK 0.08 Billion in HY 2020-2021.

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 ended on 31st March 2022.

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

	31 st March,2022 Ks'000	31 st March,2021 Ks'000	% of Change
Assets			
Non-Current Assets	3,034,707	3,797,754	-20%
Current Assets	13,174,543	12,592,927	5%
Total Assets	16,209,250	16,390,681	-1%
Equity and liabilities			
Equity	14,017,482	15,265,895	-8%
Current Liabilities	2,191,768	1,124,785	95%
Total Equity and liabilities	16,209,250	16,390,681	-1%

The current assets increased by 5% from MMK 12.5 Billion to MMK 13.1 Billion. The main reason was the increased in the advance payment paid to the subcontractor to

provide service before the work done or service has been carried out. The Non-Current Assets decreased by 20% in FY (2021-2022). This was mainly due to the share of profit of Associates from Myanmar GT Broadband Company Limited.

The current liabilities have increased from MMK 1.1 Billion in HY 2020-2021 to MMK 2.1 Billion in FY (2021-2022). The main reason is due to an increase in the provision for tax payable and the advance received from customers which amounts are to be recognized as revenue only after the completion of the projects and due process.

Review and Going Forward

The management of the TMH Company is working closely with all the stakeholders and monitoring every significant change in such a challenging business environment to safeguard TMH's sustainability. The management has reassessed all the related risks and provides a strategy to seize the opportunities from the changing business environments. The management believed that with the new strategy TMH could safeguard all the interests of its stakeholder in the near future.

By order of the Board,

Thiha Lwin

Managing Director

30th June, 2022.