

Management Discussion and Analysis of TMH Telecom Public Company Limited for the six-months period ended on 30th September 2022.

The following Management Discussion and Analysis (“MD&A”) is based on the Financial Statements of TMH Telecom Public Company Limited for the six months period ended on 30th September 2022, FY (2022-2023) 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)

	For the six months period ended Sep 30,2022 (Ks’000)	For the six months period ended Sep 30,2021 (Ks’000)	%Change
Revenue	1,714,152	1,437,204	19%
Cost of Goods Sold	(864,402)	(1,400,292)	-38%
Gross Profit	849,750	36,912	
Other Income	215,581	97,301	122%
Expenses	(1,169,241)	(754,951)	55%
Profit/ (Loss) before Tax	(103,911)	(620,739)	-83%
Other Comprehensive Income for the Year			
Fair value adjustment of Investments	17,325	(5,775)	
Total Comprehensive Income for the Year	(86,586)	(626,514)	-86%

The revenue in half of the fiscal year FY (2022-2023) which ended on 30th September 2022 was MMK 1.7 billion and it increased significantly which was 19% greater than compared to the previous half of the fiscal year FY (2020-2021).

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

	For the six months period ended Sep 30,2022 (Ks'000)	For the six months period ended Sep 30,2021 (Ks'000)
IFM Project	957,745	960,092
Fiber Project	2,019	
Mobile Project	575,562	317,441
Other Project	178,825	159,671
	1,714,151	1,437,204

The cost of goods sold has decreased by 38% from MMK 1.4 billion in HY 2020- 2021 to 0.9 billion in HY 2022-2023. The total gross profit was increased from MMK 0.04 billion to MMK 0.8 billion respectively. Due to the incentive from Mobile project, other income was increased to MMK 0.2 billion in HY 2022-2023. The loss amount occurred MMK 0.1 billion in HY 2022-2023 compared to MMK 0.6 billion in HY 2020-2021. This was less than MMK 0.5 billion and has decreased by 83% in HY 2022-23.

The fair value adjustment of MMK 0.01 was mainly due to the increased market value in First Myanmar Investment Co., Ltd. (FMI) which was the quoted price ended on 30 September, 2022.

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

	As at Sep 30,2022 (Ks'000)	As at Mar 31,2022 (Ks'000)	% Change
Assets			
Non-Current Assets	2,417,763	3,034,707	-20%
Current Assets	12,894,867	13,174,543	-2%
Total Assets	15,312,629	16,209,250	-6%
Equity and liabilities			
Equity	13,582,290	14,017,482	-3%
Current Liabilities	1,730,340	2,191,768	-21%
Total Equity and liabilities	15,312,629	16,209,250	-6%

The current assets decreased slightly from MMK 13.1 billion as at 31 March, 2022 to MMK 12.9 billion as at 30 September, 2022. The main reason was decreased in lower prepaid income and commercial tax amount. The non-current assets decreased by 20% in FY (2022-2023). This was mainly due to the share of profit of Associates from Myanmar GT Broadband Company Limited.

The current liabilities decreased by 21% from MMK 2.1 billion as at 31 March, 2022 as compared to MMK 1.7 billion as at 30 September, 2022 which was mainly due to a decrease in the settlement of tax payable in previous fiscal year and the advance received from customers as at 31 March, 2022 which amounts has already recognized as revenue in half of the fiscal year FY (2022-2023) which ended on 30th September 2022.

Review and Going Forward

The management of the company would like to report that in this half of the fiscal year (FY 2022 - 2023) , the financial results shown good potential such as the revenue of the company has increased 19%, the cost of goods sold has decreased 38%, other incomes has increased 122% and the loss significantly decreased 83% from MMK 0.6 billion to MMK 0.1 billion compared to the previous half of the fiscal year FY (2021-2022).

Myanmar, like other countries in the world, has been severely affected by the Covid -19 pandemic, and due to the current situation in Myanmar, some of the company's projects were facing a lot of difficulties and were suspended for a long time. Even though in such situations, the management of the company is trying to build the new business strategies and searching the new Market for the opportunities.

In accordance with the company's mission and vision, the management of the company is focusing on the long term benefits by upgrading the qualities of employees and working closely with all the stakeholders to seize the best benefits in the long run.

By Order of the Board,

Thiha Lwin

Managing Director

30th December, 2022.