

**Management Discussion and Analysis of TMH Telecom Public Company Limited
for the year ended 31st March 2023**

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 2023, FY 2022-23 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 2021-22 for the six months period ended (Mini-budget year). A new financial year will be started from 1st of April 2022 to 31st March of 2023 in FY 2022-23. As a result, the comparative figures presented in statements are difficult to compare. So, all shareholders should review the financial statements based on the changes in financial periods of the year.

Results Summary

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

	April '2022 to March'2023 Ks'000	For the six-months period ended March 31,2022 Ks'000	% Change
Revenue	4,297,880	2,698,003	59%
Cost of Goods Sold	(2,281,601)	(1,755,515)	30%
Gross Profit	2,016,279	942,488	114%
Other Income	362,020	214,355	69%
Expenses	(2,284,203)	(1,259,871)	81%
Share of profit of Associates and JVs	92,029	-	
Profit before Tax	186,125	(103,028)	281%
Tax Expense	(15,996)	-	

Net Profit after Tax	170,129	(103,028)	265%
Other Comprehensive Income for the Year			
Fair value adjustment of Investments	(1,155)	(8,085)	-86%
Total Comprehensive Income for the Year	168,974	(111,113)	252%

Revenue in FY 2022-23 which ended on 31st March 2023 was MMK 4.30 billion and it increased significantly which was 59% greater than compared to the previous fiscal year FY 2021-22.

The following figures show the details of revenue segments of the TMH.

	For the year ended March 31,2023 (Ks'000)	For the six-months period ended March 31,2022 (Ks'000)
IFM Project	1,935,763	944,419
Fiber Project	636,449	18,735
Mobile Project	962,995	336,068
Other Project	762,673	1,398,781
	4,297,880	2,698,003

As of increased in the revenue, the cost of goods sold has increased 30% in this fiscal year from MMK 1.76 billion in FY 2021-22 to 2.28 billion in FY 2022-23. And the total gross profit increased from MMK 0.94 billion to MMK 2.02 billion respectively. Due to DTR cash deposit incentive from Mobile project, other income was increased to MMK 0.36 billion in FY 2022-23. The share of profit of Associates from Myanmar GT Broadband Company Limited was MMK 0.09 billion in FY 2022-23 which ended on March 31, 2023. Although the loss amount occurred MMK 0.10 billion in FY 2021-22, in FY 2022-23 the profit earned MMK 0.17 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 ended on 31st March 2023.

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

	March 31,2023 Ks'000	March 31,2022 Ks'000	
Assets			
Non-Current Assets	2,452,576	3,034,707	-19%
Current Assets	14,514,090	13,174,543	10%
Total Assets	16,966,666	16,209,250	5%
Equity & Liabilities			
Equity	13,914,408	14,017,482	-1%
Current Liabilities	3,052,258	2,191,768	39%
Total Equity & Liabilities	16,966,666	16,209,250	5%

The current assets increased by 10% from MMK 13.17 billion to MMK 14.51 billion. The main reason was the increase in the advance payment paid to the subcontractor to provide the service before the work is done or the service has been carried out. The Non-Current Assets decreased by 19% in FY 2022-23. This was mainly due to the investments in other projects.

The current liabilities have increased from MMK 2.19 billion in FY 2021-22 to MMK 3.05 billion in FY 2022-23. The main reason is due to an increase in 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 team of TMH Telecom Public Company Limited would like to report that as per the financial result in fiscal year 2022-2023, the revenue increased 59%, the operative expense increased only 30% and the net profit has earned MMK 1.7 billion compare to the previous fiscal year (2021-2022 mini Budget year). We will continue to do

our best to keep improving our financial performance.

According to safeguards the benefits of all stakeholders, the management team is carefully monitoring the changes in the business environment and accessing the risk in time. In fiscal year (2022-2023), TMH head office was relocated to Shwe Gone Daing, Bahan Township, Yangon for efficiency and effectiveness. Our management team is exploring new market opportunities and try to achieve positive outcomes during this pandemic and all difficult situations.

By Order of the Board,

Thiha Lwin
Managing Director
19th May, 2023.