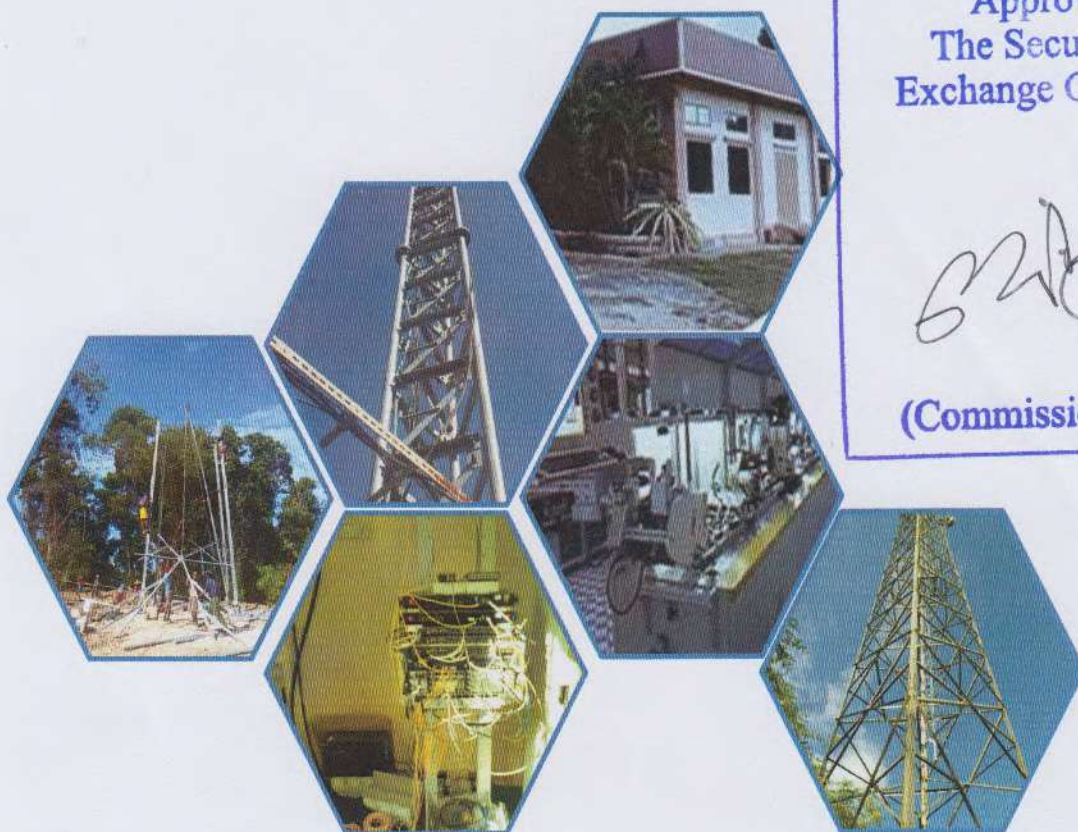




TMH Telecom Public Co. Ltd.

PROSPECTUS



Approved By
The Securities and
Exchange Commission

A handwritten signature in black ink, appearing to be 'S. A. M.', written over a white background.

(Commission Member)

TMH Telecom Public Co. Ltd.

(Company Registration Number: 368/2007-2008)

**(Incorporated with limited liability in the Republic of the
Union of Myanmar on 21 August 2007)**



TMH Telecom Public Co. Ltd.
(Company Registration Number: 368/2007-2008)
(Incorporated with limited liability in the Republic of the Union of Myanmar on 21 August 2007)

Listing of 12,212,906 Shares
Offering in respect of 544,537 Offering Shares
Offering Price: 3,000 Kyats per Offering Share

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.

This Prospectus is issued by TMH Telecom Public Co. Ltd. (“**Company**”) in connection with the public offering by our Company of new ordinary shares in our share capital (“**Shares**”) to investors in Myanmar (“**Offering**”) and listing of 100.0% of the issued and outstanding Shares of the Company with the Yangon Stock Exchange (“**YSX**”) (collective, the “**Listing**”).

As of the Date of this Prospectus, the Company has an authorised share capital of 500,000,000,000 Kyats divided into 500,000,000 Shares, each with a par value of 1,000 Kyats each, and the Company’s issued and outstanding share capital consists of 11,546,240 Shares.

Pursuant to the Offering, our Company is offering an aggregate of 544,537 new Shares (“**Offering Shares**”) for subscription by investors in Myanmar at the Offering Price (as defined below) which, if fully subscribed, will raise gross proceeds of an aggregate amount of 1,633,611,000. The offering price for each Offering Share (“**Offering Price**”) will be 3,000 Kyats.

Myanmar Securities Exchange Centre has, in connection with the Offering, agreed to act as Sole Bookrunner, Sole Lead Manager and Underwriter, and together with other Securities Companies (if any) acting as Joint Underwriters, to underwrite 544,537 Shares (which is 100% of the total amount of the Offering Shares) for an aggregate amount of 1,633,611,000 Kyats.

Prior to the Listing, the Shares were not listed or quoted on any stock or securities exchange, or offered to the public, whether in Myanmar or elsewhere. All of the Shares of the Company are unclassified and have identical rights and privileges.

For the purpose of this Offering, only Myanmar citizens and companies wholly-owned by Myanmar citizens are eligible to apply for the Offering Shares, and the Offering Shares will be allotted and issued only to Myanmar citizens or companies wholly-owned by Myanmar citizens. Any subsequent issue or transfer or other disposal of our Shares may only be made to Myanmar citizens or companies wholly-owned by Myanmar citizens. As and when permitted by applicable laws in Myanmar, our Company may in our discretion issue Shares, and permit Shares to be transferred or otherwise disposed of, to foreign citizens or foreign companies. All dealings in and settlement of the Shares will be in Myanmar Kyats only.

A copy of this Prospectus will be filed for registration with the DICA in accordance with Section 92 of the Companies Act after obtaining approval from SECM in accordance with Section 35(a) of the Securities Exchange Law and filed with the YSX in accordance with the YSX application requirements for listing. The DICA, SECM and YSX assume no responsibility for the content of this Prospectus and no warranty is made by the DICA, SECM and YSX on the accuracy or completeness of information contained herein. Approval by SECM of the Offering does not imply that the Companies Act, Securities Exchange Law or any other legal or regulatory requirements, have been complied with and admission for listing to the YSX is not to be taken as an indication of the merits of the Shares or the Company. The approval by the SECM and YSX for this Offering does not imply that the SECM and YSX has suggested investments in the Offering Shares and does not constitute an assurance on the value or returns on the Offering Shares. Investors should consult their own professional advisers as to the legal, business, financial, tax and related aspects of an investment in our Shares.

Save as described above, we have not lodged or registered this Prospectus, the Application Forms (as defined herein) or any other document in connection with the Offering in any other jurisdiction. No action has been or will be taken to permit an offer of the Offering Shares, or the possession, circulation or distribution of this Prospectus or the accompanying Application Forms, in any jurisdiction where action would be required for that purpose. Accordingly, the Offering Shares may not be offered, sold or delivered, and this Prospectus and the accompanying Application Forms may not be circulated or distributed, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

Sole Bookrunner, Sole Lead Manager and Underwriter
Myanmar Securities Exchange Centre

To:
The Securities and Exchange Commission,
Republic of the Union of Myanmar

Name of Issuer : TMH Telecom Public Co. Ltd.

Name and Title of Representative : U Thiha Lwin
Managing Director

Date of Application : (3 October 2017)

Date of Preliminary Approval : (2 December, 2017)

Date of Approval : (9 January, 2018)

Location of the Registered Office : No.54, Eastern Business Centre, 4th Floor and 5th Floor,
Lay Daung Kan Road, Thinggangyun Tsp, Yangon,
Myanmar

Contact Points

Address : See Location of the Registered Office above

Telephone : (+95 1) 8550348, 8550936

Fax : (+95 1) 573232

Email : N/A

Underwriter(s) to the Public Offering : Myanmar Securities Exchange Centre Co., Ltd
21-25, Sule Pagoda Road
1st Floor of MEB (Yangon Region Office)
Yangon, Myanmar

Amara Investment Securities Co., Ltd
No. 101, Ground Floor, The Link Office Tower,
Corner of Dhammazedì Road & Link Road,
Bahan Township, Yangon, Myanmar

AYA Trust Securities Co., Ltd
Number 416, Corner of Maharbandoola Road &
Maharbandoola Garden Street,
Kyauktada Township, Yangon, Myanmar

CB Securities Co., Ltd
Number 03-04, Union Financial Center,
Corner of Mahabandoola Road & Theinphyu Road,
Botahtaung Township, Yangon, Myanmar

KBZ Stirling Coleman Securities Co., Ltd

Number 53, Strand Square, Strand Road, Pabedan Township, Yangon, Myanmar

KTZ Ruby Hill Securities Co., Ltd
Number 7-6, Union Financial Center,
Corner of Mahabandoola Road & Theinphyu Road,
Botahtaung Township, Yangon, Myanmar

Legal Adviser to the Issuer : Allen & Gledhill (Myanmar) Co., Ltd
Junction City Tower
#18-01
Bogyoke Aung San Road
Pabedan Township, Yangon
Myanmar

Legal Adviser to the Underwriter(s) : Allen & Gledhill (Myanmar) Co., Ltd
Junction City Tower
#18-01
Bogyoke Aung San Road
Pabedan Township, Yangon
Myanmar

Auditor to the Issuer : Sein Win & Associates
Building No.6, Room No. 323, Kyaikkasan Housing,
Marlarnwe Street, Tamwe Township, Yangon, Myanmar

Principal Bankers : Ayeyarwaddy Bank
Kanbawza Bank Limited
Co-operative Bank Limited
Myanma Foreign Trade Bank
Myanma Investment & Commercial Bank

Public Offering for Subscription

Type of Securities to be Offered for : Ordinary Shares
Subscription

Amount to be Offered for Subscription : Ks 1,633,611,000

Stock Exchange to be listed in : Yangon Stock Exchange

Office at which Copy of the Prospectus is Made Available for Public Inspection

Name of Such Office : TMH Telecom Public Co. Ltd.
No.54, Eastern Business Centre, 4th Floor and 5th Floor,
Lay Daung Kan Road, Thingangyun Tsp, Yangon,
Myanmar

Myanmar Securities Exchange Centre Co., Ltd
21-25, Sule Pagoda Road

1st Floor of MEB (Yangon Region Office)
Yangon, Myanmar

Amara Investment Securities Co., Ltd
No. 101, Ground Floor, The Link Office Tower,
Corner of Dhammazedì Road & Link Road,
Bahan Township, Yangon, Myanmar

AYA Trust Securities Co., Ltd
Number 416, Corner of Maharbandoola Road &
Maharbandoola Garden Street,
Kyauktada Township, Yangon, Myanmar

CB Securities Co., Ltd
Number 03-04, Union Financial Center,
Corner of Mahabandoola Road & Theinphyu Road,
Botahtaung Township, Yangon, Myanmar

KBZ Stirling Coleman Securities Co., Ltd
Number 53, Strand Square, Strand Road, Pabedan
Township, Yangon, Myanmar

KTZ Ruby Hill Securities Co., Ltd
Number 7-6, Union Financial Center,
Corner of Mahabandoola Road & Theinphyu Road,
Botahtaung Township, Yangon, Myanmar

This prospectus shall be filed in accordance with section 92, 93(a) and 101 of Myanmar Companies Act after SECM's approval.

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PART I. PUBLIC OFFERING SUMMARY

1.1. IMPORTANT NOTES TO PROSPECTIVE INVESTORS

Our Company was incorporated on 21 August 2007 in Myanmar under the Companies Act as a private limited company under the name of Tah Moe Hnye Chan Thar Tun Wai Thar Co., Ltd.. On 12 January 2016, the Company changed its name to TMH Telecom Co. Ltd. and on 20 May 2016, converted to a public limited company under the Companies Act in the name of TMH Telecom Public Co. Ltd.. As the Company has already commenced business operations on 21 August 2007 as a private limited company and as clarified with the SECM and DICA, no certificate of commencement of business will be issued in the case of a private limited company which converted to a public limited company. The Company has renewed its Certificate of Incorporation on 21 August 2014 and this is valid until 20 August 2019. As at the Latest Practicable Date, our authorised share capital is Ks 500,000,000,000 divided into 500,000,000 Shares.

This Prospectus is prepared in accordance with Section 92 and 93 of the Myanmar Companies Act 1914. A copy of this Prospectus will be filed for registration with the DICA in accordance with Section 92 of the Companies Act after obtaining approval from SECM in accordance with Section 35(a) of the Securities Exchange Law and filed with the YSX in accordance with the YSX application requirements for listing. The DICA, SECM and YSX assume no responsibility for the content of this Prospectus and no warranty is made by the DICA, SECM and YSX on the accuracy or completeness of information contained herein. Approval by SECM of the Offering does not imply that the Companies Act, Securities Exchange Law or any other legal or regulatory requirements, have been complied with and admission for listing to the YSX is not to be taken as an indication of the merits of the Shares or the Company. The approval by the SECM and YSX for this Offering does not imply that the SECM and YSX has suggested investments in the Offering Shares and does not constitute an assurance on the value or returns on the Offering Shares. Investors should consult their own professional advisers as to the legal, business, financial, tax and related aspects of an investment in our Shares.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of us. Neither the delivery of this Prospectus nor any offer, sale or transfer made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in our affairs, condition and prospects of our Shares since the date hereof. Where such changes occur and are material and required to be disclosed by Applicable Laws and/or any Governmental Authorities, we will make an announcement of the same and, if required, issue and file an amendment to this Prospectus or a supplementary prospectus or replacement prospectus. Investors should take notice of such announcements and documents and, upon release of such announcements or documents, shall be deemed to have notice of such changes. Unless otherwise required by Applicable Laws, no representation, warranty or covenant, express or implied, is made by us or any of our affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this document is, or shall be relied upon as, a promise, representation or covenant by us or our affiliates, directors, officers, employees, agents, representatives or advisers.

None of us or any of our affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any investor in our Shares regarding the legality of an investment by such investor under appropriate legal, investment or similar laws. In addition, investors in our Shares should not construe the contents of this Prospectus or its appendices as legal, business, financial, tax or other advice. Investors should be aware that they may be required to bear the financial risks of an investment in our Shares for an indefinite period of time. Investors should consult their own professional advisers as to the legal, business,

financial, tax and related aspects of an investment in our Shares. Furthermore, the Shares may only be bought and sold by Myanmar citizens and companies wholly owned by Myanmar citizens.

The distribution of this Prospectus and the offering, purchase, sale or transfer of our Shares in certain jurisdictions may be restricted by law. We require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to us. This document does not constitute an offer of, or an invitation to subscribe for or purchase, any of our Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

This Prospectus is based on information and materials provided by us and other sources that we believe to be reliable. Each of the Legal Adviser to our Company on Myanmar laws and our Sole Bookrunner, Sole Lead Manager and Underwriter (as both described in the preceding section) do not make, or purport to make, any representation or warranty, express or implied, as to the accuracy or completeness of such information and materials, and nothing contained in this Prospectus, or any statement in this document or any statement upon which a statement in this document is based is, to the maximum extent permitted by law, expressly disclaimed and the Legal Adviser to our Company on Myanmar laws and our Sole Bookrunner, Sole Lead Manager and Underwriter take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Prospectus.

The Company has appointed the Securities Companies to receive the share application and application monies from prospective applicants for Offering Shares pursuant to the Offering. Payment terms for the Securities Companies will be on a commission basis and the Securities Companies may solicit the sale of the Offering Shares.

The Company has received the approval from the SECM pursuant to Section 35(a) of the Securities Exchange Law to offer the Offering Shares to the public pursuant to the Offering and to utilise the Securities Companies as named in this Prospectus for this purpose only.

An investment in our Shares involves significant risks and is suitable only for those persons who understand the risks highlighted in this Prospectus. You should consider carefully each of the risks described in the “**Part II. Information on the Public Offering - Risk Factors**” section and all of the other information set out in this Prospectus before making a decision to invest in our Shares.

Information on the time periods for which the Offering will be open to the public is as set out at “**Part I. Public Offering Summary - Tentative Timetable for the Public Offering**”.

1.2. FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in media advertisements and releases and oral statements that may be made by our Company or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these statements by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, and “could” or other similar words. You should note, however, that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company’s expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to:

- our Company’s revenue and profitability;

- our Company's dividend policy;
- our Company's expected growth;
- expected industry trends;
- our Company's prospects; and
- other matters discussed in this Prospectus regarding matters that are not historical facts,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. Some of these risks, uncertainties and other factors are discussed in more detail in this Prospectus, in particular, under the section "**Part II. Information on the Public Offering - Risk Factors**". However, they are not exhaustive and other sections of this Prospectus may describe additional risks, uncertainties and other factors which could materially and adversely affect our results, performance or achievements. There may also be other risks, uncertainties and other factors that are not yet known to us, or that we currently believe are not material but may subsequently turn out to be so. All forward-looking statements by or attributable to our Company, or persons acting on our Company's behalf, contained in this Prospectus are expressly qualified in their entirety by all such risks, uncertainties and other factors. These forward-looking statements are applicable only as of the Date of this Prospectus.

Given the risks and uncertainties that may cause our Company's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements. Neither our Company nor any other person represents or warrants to you that our Company's actual future results, performance or achievements will be as discussed in those statements. Our Company's actual future results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Further, our Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Prospectus, references to "Kyats" or "Ks" are to the lawful currency of Myanmar, and references to "US\$" are to the lawful currency of the United States of America.

In this Prospectus, unless the context otherwise requires, references to our "Company", "we", "us", "our", "ourselves" refer to TMH Telecom Public Co. Ltd.. References to our management and Directors are to the management and directors of our Company respectively.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships (including limited partnerships) wherever any such associations or partnerships are formed or organised.

Any reference in this Prospectus to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined in the Companies Act or any statutory modification thereof and used in this Prospectus shall, where applicable, have the meaning ascribed to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Prospectus shall be a reference to Myanmar time unless otherwise stated. Certain names with Myanmar characters have been translated into English names. Such translations are provided solely for your convenience, may not have been registered with the relevant Myanmar authorities and should not be construed as representations that the English names actually represent the Myanmar characters.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and the totals thereof are due to rounding. A number of rounding conventions have been used in this Prospectus. Accordingly, figures shown in totals in certain tables, graphs or charts may not be an arithmetic aggregation of the figures that precede them.

Please refer to the section “***Part I. Public Offering Summary - Definitions***” for definitions of other terms used in this Prospectus.

1.3. AGGREGATE AMOUNT OF THE PUBLIC OFFERING

| | |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Class of Offering Shares | Ordinary Shares |
| Number of Offering Shares | 544,537 Offering Shares |
| Offering Price | Ks 3,000 for each Offering Share The Offering Price is determined through a book-building process so as to enable us to establish a market-based pricing for the Offering Share. Please see the section on “ <i>Part II. Information on the Public Offering</i> ” for more detailed information. |
| Par Value | Ks 1,000 for each Share |
| Offering Amount | Ks 1,633,611,000 |
| Offer Unit for Shares | 1 Share per unit |

Information on the time periods for which the Offering will be open to the public is as set out at “***Part I. Public Offering Summary - Tentative Timetable for the Public Offering***”.

1.4. TENTATIVE TIMETABLE FOR THE PUBLIC OFFERING

| Event | Tentative Date |
|--------------------------------------------------------|-----------------------|
| Opening Date of Book Building | From 15 December 2017 |
| Closing Date of Book Building | To 22 December 2017 |
| Notice Date to Successful Investors from Book Building | 23 January 2018 |
| Opening Date of Subscription | From 15 December 2017 |
| Closing Date of Subscription | To 3 January 2018 |

| | |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Subscribed Shares Allotment | 23 January 2018 |
| Date for Dispatch of Notices of Successful Applicants | 23 January 2018 |
| Listing Date | 26 January 2018 This Listing Date is indicative only and is subject to change, as per the SECM's instruction. In case of any change to this Listing Date, we will immediately make an announcement on the YSX. |

The above timetable is indicative only and is subject to change. The application opening date and time for the Offering is 9:00 on 15 December 2017, and the application closing date and time of the Offering is 14:00 on 3 January 2018. All dates and times referred to above are Myanmar dates and times.

We may in consultation with the Sole Bookrunner, Sole Lead Manager and Underwriter, and subject to all Applicable Laws, extend or shorten the period during which the Offering is open.

In the event of the extension or shortening of the time period during which the Offering is open, we will publicly announce the same in three (3) major Myanmar newspapers.

We reserve the right to reject or accept, in whole or in part, or to scale down or allocate any application for the Offering Shares, without assigning any reason therefor, and no enquiry and/or correspondence on our decision will be entertained. Without prejudice to the foregoing, the allocation of the Offering Shares to the respective applicants pursuant to the Offering will be determined by the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters in their absolute discretion.

Where an application is rejected or unsuccessful, the full amount of the application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom, to the applicant at his own risk within twenty-one (21) days after 23 January 2018.

Where an application is accepted in part only, any balance of the application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom, to the applicant at his own risk within twenty-one (21) days after 23 January 2018.

Where the Offering does not proceed for any reason, the full amount of application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom, to the applicant at his own risk within twenty-one (21) days after the Offering is discontinued.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours from:

Our Registered Office

No.54, Eastern Business Centre,
4th Floor and 5th Floor, Lay Daung Kan Road,
Thingangyun Tsp, Yangon, Myanmar

Securities Companies

Myanmar Securities Exchange Centre Co., Ltd
21-25, Sule Pagoda Road
1st Floor of MEB (Yangon Region Office)
Yangon, Myanmar

Amara Investment Securities Co., Ltd
No. 101, Ground Floor, The Link Office Tower,
Corner of Dhammazedi Road & Link Road,
Bahan Township, Yangon, Myanmar

AYA Trust Securities Co., Ltd
Number 416, Corner of Mahabandoola Road & Mahabandoola Garden Street,
Kyauktada Township, Yangon, Myanmar

CB Securities Co., Ltd
Number 03-04, Union Financial Center,
Corner of Mahabandoola Road & Theinphyu Road, Botahtaung Township, Yangon, Myanmar

KBZ Stirling Coleman Securities Co., Ltd
Number 53, Strand Square, Strand Road, Pabedan Township, Yangon, Myanmar

KTZ Ruby Hill Securities Co., Ltd
Number 7-6, Union Financial Center,
Corner of Mahabandoola Road & Theinphyu Road, Botahtaung Township, Yangon, Myanmar

1.5. DEFINITIONS

| | | |
|----------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “AC/DC” | : | Alternating current / direct current |
| “Application Forms” | : | The printed application forms to be used for the purpose of the Offering and which forms part of this Prospectus |
| “Applicable Laws” | : | The laws, statutes, rules, regulations and by-laws for the time being having force and effect including all notifications, orders, directives, procedures and policies of any Governmental Authority |
| “Articles of Association” | : | Articles of association of our Company |
| “Board” or “Board of Directors” | : | TMH Telecom Public Co. Ltd.’s board of directors |
| “Book-building” | : | A process which involves the surveying and gathering of information relating to the investors’ demand for, or participation in the subscription of, the shares that are to be publicly offered by the Company in question for the purpose of determining the most appropriate offering price for the Offering Shares |
| “Bookrunner” | : | Myanmar Securities Exchange Centre Co., Ltd (MSEC) MSEC is the sole and only securities company who conducts the operation of Book-building for the Offering Shares. MSEC may collect information relating to the investors’ demand for, or participation in the subscription of, the shares from other participating security companies, if any. MSEC may determine the most appropriate offering price for the Offering Shares with the agreement of the Company |
| “BTS” | : | Base transceiver station |
| “Business” | : | The business of the Company as described in the “Part III. Issuer Information” section of this Prospectus |
| “CBM” | : | Central Bank of Myanmar |

| | | |
|----------------------------------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Companies Act” | : | The Myanmar Companies Act 1914 (as amended and supplemented from time to time) |
| “Company” or “TMH” | : | TMH Telecom Public Co. Ltd.. The terms “we”, “our”, “our Company” and “us” have correlative meanings |
| “Date of this Prospectus” | : | 5 January 2018 |
| “DICA” | : | Directorate of Investment and Company Administration |
| “Directors” | : | Our Company’s directors as at the Date of this Prospectus |
| “Executive Officers” | : | The executive officers of our Company as at the Date of this Prospectus |
| “FTTX” | : | All possible optical fiber topologies from a telecom or cable carrier to its customers, based on the location of the fiber’s termination point |
| “FY” | : | Financial year ended or ending 31 March, as the case may be |
| “Governmental Authority” | : | Any foreign, domestic, federal, national, provincial, territorial, state or local governmental authority, quasi-governmental authority, court, governmental or self-regulatory organization, commission, tribunal, organization or any regulatory, administrative or other agency, or any political or other subdivision, department or branch of any of the foregoing, as the context or the terms of this Prospectus may require |
| “HT/LT” | : | High tension / Low tension |
| “Latest Practicable Date” | : | 28 September 2017, being the latest practicable date prior to the filing of this Prospectus with the DICA |
| “Memorandum” | : | Memorandum of association of our Company |
| “Offering” | : | The offering of 544,537 Offering Shares for subscription at the Offering Price by way of public offer |
| “Offering Price” | : | The offering price for each Offering Share at Ks 3,000 |
| “Offering Shares” | : | The aggregate of 544,537 new Shares which is the subject of the Offering |
| “OTDR” | : | Optical Time Domain Reflectometer |
| “Prospectus” | : | This prospectus dated 5 January 2018 |
| “SECM” | : | Securities and Exchange Commission of Myanmar |
| “Securities Companies” | : | Myanmar Securities Exchange Centre Co., Ltd Amara Investment Securities Co., Ltd AYA Trust Securities Co., Ltd |

| | | |
|------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | CB Securities Co., Ltd KBZ Stirling Coleman Securities Co., Ltd KTZ Ruby Hill Securities Co., Ltd |
| “Securities Exchange Law” | : | The Securities Exchange Law 2013 (as amended and supplemented from time to time) |
| “Shareholders” | : | Registered holders of Shares |
| “Shares” | : | Ordinary shares of Ks 1,000 each in the capital of our Company |
| “Sole Bookrunner, Sole Lead Manager and Underwriter” | | Myanmar Securities Exchange Centre Co., Ltd |
| “Total Gross Proceeds” | : | The total amount of Ks 1,633,611,000, being the aggregate of the gross proceeds of Ks 1,633,611,000 from the issue of the Offering Shares under the Offering |
| “TVSS/ESES” | : | Transient voltage surge suppressor / Electrical Service Entrance |
| “Joint Underwriters” | : | Amara Investment Securities Co., Ltd AYA Trust Securities Co., Ltd CB Securities Co., Ltd KBZ Stirling Coleman Securities Co., Ltd KTZ Ruby Hill Securities Co., Ltd |
| “Underwritten Shares” | : | 544,537 Shares underwritten by the Sole Bookrunner, Sole Lead Manager and Underwriter and Joint Underwriters |
| “YSX” | : | Yangon Stock Exchange |
| | | |
| Currencies, Units and Others | | |
| “Kyats” or “Ks” | : | The lawful currency of the Republic of the Union of Myanmar |
| “per cent.” or “%” | : | Per centum or percentage |
| “US\$” | : | The lawful currency of the United States of America |

1.6. Disclaimer

You should read the entire Prospectus carefully and we strongly caution you not to rely on any information contained in press articles or other media relating to us and/or the Offering.

There has been press coverage regarding us and the Offering in certain news publications in Myanmar which included certain financial information, profit forecasts, operational projections, valuations, and other information about us (“**Information**”). We would emphasise to potential investors that we do not accept responsibility for the accuracy or completeness of the Information and that the Information was not sourced

from or authorised by us. We do not make any representation as to the appropriateness, accuracy, completeness or reliability of any of the Information and the underlying assumptions. To the extent that any of the Information is inconsistent with, or conflicts with, the information contained in this Prospectus, we disclaim it. In this regard, potential investors are cautioned to make their investment decisions on the basis of the information contained in this Prospectus only and should not rely on any other information.

1.7. SELECTED FINANCIAL DATA

| Financial Summary | Financial Year ended 31 March | |
|-----------------------------|--------------------------------------|--------------------|
| (Millions of Kyat) | FY2015-2016 | FY2016-2017 |
| <u>Balance Sheet</u> | | |
| Cash and Cash Equivalents | 1,275 | 1,911 |
| Current Assets | 14,902 | 14,804 |
| Non-Current Assets | 2,696 | 2,777 |
| Total Assets | 17,599 | 17,581 |
| | | |
| Current Liabilities | 6,955 | 4,646 |
| Long-Term Borrowings | 1,000 | 1,000 |
| Non-Current Liabilities | - | - |
| Total Liabilities | 7,955 | 5,646 |
| | | |
| Total Equity | 9,644 | 11,934 |

| <u>Profit & Loss Statement</u> | FY2015-2016 | FY2016-2017 |
|-------------------------------------------------------|--------------------|--------------------|
| Sales | 12,305 | 9,466 |
| Total Revenue | 12,418 | 10,379 |
| Gross Profit | 6,458 | 3,373 |
| Gain Before Expenses | 0 | 0 |
| Administrative Expenses | (5,163) | (2,209) |
| <u>Earning before Financial cost and Taxes</u> | 704 | 679 |
| Financial Cost | 0 | (240) |
| Income Tax | (352) | (459) |
| Net Profit | 1,056 | 1,378 |

PART II. INFORMATION ON THE PUBLIC OFFERING

2.1. METHOD AND TERMS OF THE PUBLIC OFFERING

| | |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Issuer | TMH Telecom Public Co. Ltd., a public company incorporated with limited liability under the laws of Myanmar. |
| The Listing | 12,212,906 Shares each with a par value of Ks. 1,000 of the Company will be listed and traded on the YSX, conditional upon approval of the YSX. |
| The Offering | 544,537 Offering Shares offered by our Company by way of public offer in Myanmar, conditional upon approval of the SECM. The Offering Shares will, upon issue, rank <i>pari passu</i> in all respects with the existing issued Shares. The Offering Shares are in registered form. |
| Offering Price | <p>Ks 3,000 for each Offering Share.</p> <p>Investors are required to pay the Offering Price for each Offering Share they are applying for in Kyats by 14:00 on 3 January 2018 (Myanmar time) or such later time or date as our Company may decide.</p> |
| Eligibility to Apply | Only Myanmar citizens and companies wholly-owned by Myanmar citizens are eligible to apply for the Offering Shares, and the Offering Shares will be allotted and issued only to Myanmar citizens or companies wholly-owned by Myanmar citizens. The eligibility of applicants which are unincorporated entities to apply for and to be allotted and issued the Offering Shares will be determined by the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters in their discretion. |
| Underwriting | Myanmar Securities Exchange Centre has, in connection with the Offering, agreed to act as Sole Bookrunner, Sole Lead Manager and Underwriter and together with the other Securities Companies (if any) acting as Joint Underwriters, agreed to underwrite 544,537 Shares (which is 100% of the total amount of the Offering Shares) for an aggregate amount of 1,633,611,000 Kyats. |
| Total Gross Proceeds | <p>Based on the Offering Price of Ks 3,000 for each Offering Share, the gross proceeds from the allotment and issue of the 544,537 Offering Shares under the Offering will be Ks 1,633,611,000.</p> <p>As such, our Company will receive the Total Gross Proceeds, being the aggregate of Ks 1,633,611,000, pursuant to the allotment and issue in full of the Offering Shares.</p> <p>There is no minimum subscription required to be raised from the Offering and as such, there is no minimum subscription on which the Directors may proceed with the allotment under the Offering. Based on the Offering Price of Ks 3,000 for each Underwritten Share underwritten by the Sole Bookrunner, Sole Lead Manager and Underwriter and Joint Underwriters, the gross proceeds from the allotment and issue of the Underwritten Shares will be for an aggregate amount of 1,633,611,000 Kyats.</p> |
| Purpose of the Offering | The Offering will allow our Company to raise funds from the public for the purposes as set out in the section “ <i>Part II. Information on the Public Offering - Use of Proceeds</i> ” and, at the same time, provide members of the public with an opportunity to participate in the equity of our Company and thereby potential economic growth of |

| | |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | the Myanmar economy. |
| YSX | <p>Prior to the Listing, the Shares were not listed or quoted on any stock or securities exchange, or offered to the public, whether in Myanmar or elsewhere.</p> <p>After the Offering, it is currently expected that Shareholders and investors will be able to utilise the YSX to trade in our Shares, but there is no assurance that there will be an active market for trading in our Shares. Please see the section on “Part VIII. The Myanmar Securities Market” for more information.</p> |
| Allocation and Settlement | <p>Following the close of the Offering, the allocation of the Offering Shares to applicants will be determined by the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters in their absolute discretion.</p> <p>We expect to receive payment for all the Offering Shares, and we will allot and issue the Offering Shares and despatch the notice to successful applicants on or about 23 January 2018.</p> |
| Dividends | <p>Our Company will pay dividends, if any, only out of our profits as permitted under Myanmar law. Dividends will be paid in Kyats.</p> <p>We cannot assure you that our Company will declare or pay any dividends in any given financial year. Investors should not assume that our Company will declare or pay any dividends.</p> <p>Please see further the section “Part IV. Information on the Issuer’s Management, Shareholders and Shares – Dividends, Dividend Policy” for more information.</p> |
| Application Procedures in Myanmar | <p>Applicants for the Offering Shares should follow the application procedures set out by the Securities Companies. A copy of the Prospectus is made available at the offices of the Securities Companies for public inspection.</p> <p>The minimum initial application is for one (1) Offering Share. An applicant may apply for a larger number of Offering Shares in integral multiples of one (1) Offering Share.</p> |
| Risk Factors | <p>Prospective investors should carefully consider the risks connected with an investment in our Shares, including those described in the section “Part II. Information on the Public Offering - Risk Factors” which contains a discussion of certain factors to be considered in connection with an investment in our Shares.</p> |
| Lock-up Period | <p>The Company has issued 480,000 Shares within six months before the date of the initial listing application; as such, these Shares would be subject to the prescribed lock-up period of three months from the date of Listing under Section 10 of the YSX Securities Listing Business Regulations.</p> <p>Prior to the Offering, our Company will allocate 122,129 Shares of a total aggregate amount of Ks. 366,387,000 as a right issues to our existing Shareholders with the condition that the exercise price for each rights issue share is identical to the Offering Price. The YSX has confirmed that these 122,129 Shares would not be subject to the abovementioned lock-up period.</p> |

The Company was incorporated on 21 August 2007 in Myanmar under the Companies Act as a private limited company under the name of Tah Moe Hnye Chan Thar Tun Wai Thar Co., Ltd.. On 12 January 2016, the Company changed its name to TMH Telecom Co. Ltd. and on 20 May 2016, converted to a public limited company under the Companies Act in the name of TMH Telecom Public Co. Ltd.. As the Company has already commenced business operations on 21 August 2007 as a private limited company and as clarified with the

SECM and DICA, no certificate of commencement of business will be issued in the case of a private limited company which converted to a public limited company. Prior to the Offering, Ks 12,559,800,000 (inclusive of share premium of Ks. 1,013,560,000) of Shares was issued and allotted.

Set out below is a table on the number and amount of shares issued in the past two years.

| Date | Number of Shares Issued and Alloted | Consideration per Share in cash | Aggregate Number of Shares that was paid up / Amount of paid up capital contributed as of the date of issue and allotment |
|--------------------|--------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Initial (Founders) | 640,000 | Ks.1,000 | 640,000 shares / Ks. 640,000,000 |
| 11 August 2016 | 9,860,000 | Ks.1,000 | 9,080,000 shares / Ks. 9,080,000,000 |
| 27 January 2017 | 555,800 | Ks.1,500 | 9,337,800 shares / Ks. 9,337,800,000 |
| 29 March 2017 | 10,440 | Ks.2,500 | 9,347,800 shares / Ks. 9,347,800,000 |
| 23 June 2017 | 480,000 | Ks.2,500 | 11,546,240 shares / Ks. 11,546,240,000 |
| Total | 11,546,240 | | |

Note: The share issuances on 11 August 2016, 27 January 2017 and 29 March have only been partly paid up to an amount of Ks. 9,080,000,000, Ks. 257,800,000 and Ks. 10,000,000 respectively and Ks. 780,000,000, Ks. 575,900,000 and Ks. 16,100,000 respectively was outstanding as of the date of issuance and allotment. However, as of the Latest Practicable Date, all the 11,546, 240 Shares of the Company are fully paid up.

Myanmar Securities Exchange Centre has, in connection with the Offering, agreed to act as Sole Bookrunner, Sole Lead Manager and Underwriter and together with the below mentioned Securities Companies (if any) acting as Joint Underwriters, agreed to underwrite 544,537 Shares (which is 100% of the total amount of the Offering Shares) for an aggregate amount of 1,633,611,000 Kyats.

The Offering Price at which the Offering Shares will be sold initially is between Ks 3,000 and Ks 3,300 per Offering Share ("**Indicative Offering Price Range**"). The Indicative Offering Price Range is based on several valuation analysis such as Discounted Cash Flow (DCF) Analysis and Market Multiple Analysis, and results of investor hearing sessions so as to incorporate more market-based views. In Market Multiple Analysis, we have referred to the market value of YSX-listed companies and listed telecommunication companies in other ASEAN countries. The Offering Price is determined through a book-building process in order to establish a market-based pricing of the Offering Share. Book-building is a process which involves the surveying and gathering of information relating to the investors' demand for, or participation in the subscription of, the Shares that are to be publicly offered by the Company for the purpose of determining the most appropriate offering price for the Offering Shares. Based on the Indicative Offering Price Range, investors are given the opportunity to participate in a book-building process through submitting Application Forms to Myanmar Securities Exchange Centre Co., Ltd. who acts as the Sole Bookrunner, Sole Lead Manager and Underwriter or to the other Securities Companies. The number of Offering Shares being sold in the Offering and the Offering Price will then be determined by the Board in consultation with the Sole Bookrunner, Sole Lead Manager and Underwriter, and is announced on 26 December, 2017. The Board and the Sole Bookrunner, Sole Lead Manager and Underwriter, in arriving at the

Indicative Offering Price Range and the Offering Price have considered the Company's financial condition, future business prospects, the current market sentiment, and views from investors. Once the application for the Offering Shares closes at 14:00 on 3 January 2018, the Board and the Sole Bookrunner, Sole Lead Manager and Underwriter would have had the chance to consider the amount of Offering Shares being applied for by the applicants pursuant to the Application Forms (in addition to the factors already stated for the book-building process) and based on this, fixed the Offering Price as Ks 3,000 per Offering Share.

2.2. DETAILS OF UNDERWRITERS AND SELLING AGENT

2.2.1. Underwriter(s)

| Sole Bookrunner, Sole Lead Manager and Underwriter | |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Name | : Myanmar Securities Exchange Centre Co., Ltd |
| Registered Address | : 21-25, Sule Pagoda Road 1st Floor of MEB (Yangon Region Office) Yangon, Myanmar |
| Company Registration Number | : 3 JV/ 1996-1997 |
| MIC Permit Number | : 174/96 |
| Securities Licence Number | : 002 |
| Telephone Number | : +95 – 1 – 378647, 387031 |
| Fax Number | : +95 – 1 – 387032 |
| Website | : http://www.msecmyanmar.com |

| Joint Underwriter | |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name | : Amara Investment Securities Co., Ltd |
| Registered Address | : Amara Investment Securities Co., Ltd No. 101, Ground Floor, The Link Office Tower, Corner of Dhammazed Road & Link Road, Bahan Township, Yangon, Myanmar |
| Company Registration Number | : 2506/2015-2016(YGN) |
| Securities Licence Number | : 006 |
| Telephone Number | : +95 – 1 – 381140 |
| Fax Number | : +95 – 1 – 381142 |
| Website | : http://www.amarasecurities.com/ |

| Joint Underwriter | |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------|
| Name | : AYA Trust Securities Co., Ltd |
| Registered Address | : Number 416, Corner of Maharbandoola Road & Maharbandoola Garden Street, Kyauktada Township, Yangon, Myanmar |
| Company Registration Number | : 2413/2015-2016(YGN) |
| Securities Licence Number | : 003 |
| Telephone Number | : +95 – 1 – 386255 |
| Fax Number | : +95 – 1 – 386254 |
| Website | : http://www.ayatrustsc.com/ |

| Joint Underwriter | |
|--------------------------|--------------------------|
| Name | : CB Securities Co., Ltd |

| | | |
|-----------------------------|---|--------------------------------------------------------------------------------------------------------------------------------|
| Registered Address | : | Number 03-04, Union Financial Center, Corner of Mahabandoola Road & Theinphyu Road, Botahtaung Township, Yangon, Myanmar |
| Company Registration Number | : | 2485/2015-2016(YGN) |
| Securities Licence Number | : | 004 |
| Telephone Number | : | +95 – 1 – 8610331 |
| Fax Number | : | +95 – 1 – 8610330 |
| Website | : | http://cbsecurities.com.mm/ |

| | | |
|-----------------------------|---|-----------------------------------------------------------------------------|
| Joint Underwriter | | |
| Name | : | KBZ Stirling Coleman Securities Co., Ltd |
| Registered Address | : | Number 53, Strand Square, Strand Road, Pabedan Township, Yangon, Myanmar |
| Company Registration Number | : | 564FC/2015-2016(YGN) |
| Securities Licence Number | : | 001 |
| Telephone Number | : | +95 – 1 – 2307300 |
| Fax Number | : | +95 – 1 – 2307309 |
| Website | : | https://kbzsc.com |

| | | |
|-----------------------------|---|------------------------------------------------------------------------------------------------------------------------------|
| Joint Underwriter | | |
| Name | : | KTZ Ruby Hill Securities Co., Ltd |
| Registered Address | : | Number 7-6, Union Financial Center, Corner of Mahabandoola Road & Theinphyu Road, Botahtaung Township, Yangon, Myanmar |
| Company Registration Number | : | 696 FC/2015-2016(YGN) |
| Securities Licence Number | : | 005 |
| Telephone Number | : | +95 – 1 – 8610480 |
| Fax Number | : | +95 – 1 – 8610479 |
| Website | : | http://www.ktzrh.com/ |

2.2.2. Selling Agent(s)

There is no Selling Agent in this Offering.

2.3. CONDITIONS OF UNDERWRITING

Based on the results of the book-building process and on the amount of Offering Shares being applied for by the applicants pursuant to the Application Forms, the Company and the Sole Bookrunner, Sole Lead Manager and Underwriter entered into an underwriting agreement on 8 January 2018 in which each of the Company and the Sole Bookrunner, Sole Lead Manager and Underwriter agreed that the Sole Bookrunner, Sole Lead Manager and Underwriter shall subscribe or procure subscribers for the 544,537 Underwritten Shares.

In the event that by 1.00 p.m. (Myanmar time) on 18 January 2018 or such other date for settlement of subscriptions of the Offering Shares as the Company and the Sole Bookrunner, Sole Lead Manager and Underwriter may agree (“the “**Closing Date**”), valid applications for all of the Offering Shares have been received pursuant to the Offering in accordance with the terms of this Prospectus, together with valid forms of remittances for the full amount payable thereunder, in each case in accordance with this Prospectus, the Sole Bookrunner, Sole Lead Manager and Underwriter’s obligations in respect of the Underwritten Shares shall cease. If, however, by 1.00 p.m. (Myanmar time) on the Closing Date, any of the Underwritten Shares have not been

validly applied for pursuant to the Offering, the Sole Bookrunner, Sole Lead Manager and Underwriter will apply for, or will in compliance with any applicable laws and regulations procure applications (whether by the other Joint Underwriters or other applicants) for, such Underwritten Shares on the terms of this Prospectus as aforesaid and will, not later than 1.00 p.m. (Myanmar time) on the Closing Date, pay or procure payment to the Company the aggregate Offering Price for such number of Underwritten Shares not applied for.

The Sole Bookrunner, Sole Lead Manager and Underwriter has also pursuant to the agreement amongst underwriters dated 3 January 2018 between the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters, offered to the Joint Underwriters an underwriting participation of 210,000 Underwritten Shares and the Joint Underwriters have agreed to underwrite 199,500 Underwritten Shares in the following proportions:

| Securities Companies | Number of Underwritten Shares | % of the Offering Shares |
|------------------------------------------|--------------------------------------|---------------------------------|
| Amara Investment Securities Co., Ltd | 500 | 0.1% |
| AYA Trust Securities Co., Ltd | 27,000 | 5.0% |
| CB Securities Co., Ltd | 41,000 | 7.5% |
| KBZ Stirling Coleman Securities Co., Ltd | 121,000 | 22.2% |
| KTZ Ruby Hill Securities Co., Ltd | 10,000 | 1.8% |

As such, the number of Underwritten Shares to be underwritten by the Sole Bookrunner, Sole Lead Manager and Underwriter would be as follows:

| Securities Companies | Number of Underwritten Shares | % of the Offering Shares |
|---------------------------------------------|--------------------------------------|---------------------------------|
| Myanmar Securities Exchange Centre Co., Ltd | 345,037 | 63.4% |

The Sole Bookrunner, Sole Lead Manager and Underwriter and Joint Underwriters are required to pay in full the aggregate amount of the Offering Price for the relevant number of Underwritten Shares as set out above, to the Company on 18 January 2018.

The Directors are of the opinion that the financial (such as capital base and liquidity) and operational resources of the Sole Bookrunner, Sole Lead Manager and Underwriter is sufficient to discharge the above underwriting obligations based on the fact that the Sole Bookrunner, Sole Lead Manager and Underwriter is one of the duly licensed securities companies legitimately allowed to undertake securities underwriting business.

2.4. SUBSCRIPTION METHOD

The Company has appointed the Securities Companies to receive the share application and application monies from prospective applicants for Offering Shares pursuant to the Offering. Payment terms for the Securities Companies will be on a commission basis and the Securities Companies may solicit the sale of the Offering Shares.

Applicants for the Offering Shares should follow the application procedures set out by the Securities Companies. A copy of the Prospectus is made available at the offices of the Securities Companies for public inspection.

The minimum initial application is for one (1) Offering Share. An applicant may apply for a larger number of Offering Shares in integral multiples of one (1) Offering Share.

Information on the time periods for which the Offering will be open to the public is as set out at “**Part I. Public Offering Summary - Tentative Timetable for the Public Offering**”.

2.5. PLAN OF DISTRIBUTION

Our Company is offering an aggregate of 544,537 Offering Shares to the public for subscription pursuant to the Offering.

Prior to the Offering, there has been no public market for the Offering Shares.

After the Offering, it is currently expected that Shareholders and investors will be able to utilise the YSX to trade in our Shares, but there is no assurance that there will be an active market for trading in our Shares. Please see further the section on “**Part VIII. The Myanmar Securities Market**” for more information.

As of the Latest Practicable Date, we are not aware of any of our major Shareholders, Directors or member of our management, supervisory or administrative body who intends to subscribe for the Offering Shares under this Offering and of any other person who intends to subscribe for more than 5% of the aggregate amount of the Offering.

2.6. DELIVERY OF SECURITIES

As the Offering Shares will be listed on the YSX, no physical share certificates will be issued but the successful applicants who had submitted the Applications Forms for the Offering Shares will have the number of shares successfully applied for credited to the securities account no later than 17:00 on 23 January, 2018 as stated in their Application Form.

2.7. LISTING

12,212,906 Shares each with a par value of Ks. 1,000 of the Company will be listed and traded on the YSX, conditional upon approval of the YSX.

2.8. ESTIMATED EXPENSES OF THE PUBLIC OFFERING

The aggregate expenses payable by us in connection with the Offering are estimated to amount to approximately Ks 407,235,356, the breakdown of which is set out below:

| Estimated Cost for Listing | Ks |
|----------------------------------------------------------------------|-------------|
| Professional Fees (Financial Advisory fee and Legal Advisory fee) | 268,797,500 |
| Underwriters Fee (including fees for Joint Underwriters) | 80,000,000 |
| Listing (Registration) Expenses | 23,437,856 |
| Miscellaneous Expenses | 15,000,000 |

| | |
|----------------------------------------|--------------------|
| Printing , Marketing & Advertising fee | 20,000,000 |
| Total Estimated expenses | 407,235,356 |

2.9. USE OF PROCEEDS

Based on the Offering Price of Ks 3,000 for each Offering Share, the gross proceeds from the allotment and issue of 544,537 Offering Shares will be Ks 1,633,611,000.

We intend to utilise the Total Gross Proceeds, being the aggregate amount of Ks 1,633,611,000, in the following manner:

| Use of Proceeds | Description | Amount | Time Line | Business Condition |
|------------------------|--------------------------|-----------------|------------------|---------------------------------------------------------------------------------------------------------------|
| Investment Plan A | Expansion of ICT Service | MMK 2.0 Billion | March 2018 | TMH will increase the business scope in turnkey projects, BTS and fiber installation and maintenance projects |

| Plan | Description | % | Amount | Use | Vendor | Timeline | Priority |
|-------------|--------------------------------------------------------------|----------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------------|
| A | Expansion of ICT Service (BTS tower turnkey project) | 70% | 1.4 billion Kyats | <p>Tower projects for MEC</p> <p>TMH plans to work on at least 126 sites BTS tower turnkey projects in Mandalay and Shan region by the end of this fiscal year.</p> <p>1.4 billion Kyats will be used for equipment and labour costs from local vendors.</p> | Local vendor | March 2018 | 1 |
| | Expansion of ICT Service (Fiber and BTS Maintenance project) | 30% | 0.6 billion Kyats | <p>Fiber Maintenance and BTS Maintenance Project</p> <p>TMH plans to commence working on at least 2,000Km Fiber Maintenance from MPT in the 4th quarter of this fiscal year. TMH will use around 0.2 billion Kyats to invest in resource preparations such as equipment purchase and human resource.</p> <p>TMH plans to work on more BTS Maintenance from Huawei and ZTE in the 4th quarter of this fiscal year. TMH will use around 0.4 billion</p> | TMH own resources | March 2018 | 2 |

| | | | | | | | |
|--|--|--|--|-----------------------------------------------------------------------------------------|--|--|--|
| | | | | Kyats to invest in resource preparations such as equipment purchase and human resource. | | | |
|--|--|--|--|-----------------------------------------------------------------------------------------|--|--|--|

We are not able to provide a quantitative estimate of the increased capacity or aggregate profit after investing the proceeds of the Offering to the projects as abovementioned with accuracy as of the Latest Practicable Date. For the majority of the abovementioned projects, we plan to build BTS towers for the contractor. We are in the process of assessing the various types of BTS towers most suitable for the respective locations. Subject to the results of the assessment, expected costs of equipment and labour from local vendors and construction period will vary. Profitability of the projects is subject to not only negotiations with local vendors but also the below mentioned multiple events or developments. As such, as of the Latest Practicable Date, we are not able to provide a quantitative estimate of the increased capacity or aggregate profit after investing the proceeds to the abovementioned projects. However, based on our experience in BTS tower projects, we estimate approximately 5% to 15% of net profit is expected per tower. Consequently, our management is confident that successful investment into these projects will contribute to increase Company's aggregate revenue and profit base, and help build better relations with our major clients.

The timing and amount of disbursements to be made for the foregoing purposes shall be determined by our Directors in their discretion. However, future events or developments, such as general market conditions, the outlook for our industry, changes in social, political and economic conditions and the regulatory environment in Myanmar, as well as changes in our need for capital and the availability of financing and capital to fund those needs, among other factors, may make a change in the use of the net proceeds from that specified above necessary or desirable. Should any material change on the use of proceeds occur, we will immediately make an announcement of such change on the YSX.

The names and address of the vendors are not disclosed as it is confidential and we are not given permission to do so.

As of the Latest Practicable Date, TMH estimates the amount of proceeds is sufficient to fund the proposed purposes. However, in case further funding required, secondary issue(s) of securities or additional debt financing may be necessary.

There is no minimum subscription required to be raised from the Offering and as such, there is no minimum subscription on which the Directors may proceed with the allotment under the Offering. Based on the Offering Price of Ks 3,000 for each Underwritten Share underwritten by the Sole Bookrunner, Sole Lead Manager and Underwriter and Joint Underwriters, the gross proceeds from the allotment and issue of the Underwritten Shares will be for an aggregate amount of 1,633,611,000 Kyats. Prior to their utilization for the proposed purposes, the proceeds will be deposited in one of TMH's banking accounts.

2.10. CAPITALIZATION

As of the Latest Practicable Date, the capitalization of the Company is as follows:

| | As at the Latest Practicable Date |
|------------------------------------------|-----------------------------------|
| Authorized Share Capital | 500,000,000 shares |
| Share Capital (No of Ordinary shares) | 11,546,240 |

| | |
|--------------------------------|---------------------|
| Share premium (Kyats) | 1,013,560,000 |
| Total Share Capital (Kyats) | 11,546,240,000Kyats |

(in Kyats)

| | |
|-------------------------------|-----------------------|
| Total short-term Indebtedness | 3,713,836,244 |
| Total long-term Indebtedness | 0 |
| Total indebtedness (A) | 3,713,836,244 |
| | |
| Share Capital | 11,546,240,000 |
| Share Premium | 1,013,560,000 |
| Reserve | 0 |
| Retained Profit | 2,443,243,514 |
| Total Equity (B) | 15,003,043,514 |
| | |
| Capitalization (A+B) | 18,716,879,758 |

ADJUSTED CAPITALIZATION

After the completion of the Offering, we estimates the adjusted capitalization indicated as the following table shows.

| | |
|---------------------------------------------------|--------------------|
| Authorized Share Capital | 500,000,000 shares |
| Adjusted Share Capital (No of Ordinary shares) | 12,212,906 |
| Adjusted Share premium (Kyats) | 1,333,332,000 |
| Total Adjusted Share Capital (Kyats) | 12,212,906,000 |

(in Kyats)

| | |
|-------------------------------|-----------------------|
| Total short-term Indebtedness | 3,713,836,244 |
| Total long-term Indebtedness | 0 |
| Total indebtedness (A) | 3,713,836,244 |
| | |
| Share Capital | 12,212,906,000 |
| Share Premium | 1,333,332,000 |
| Reserve | 0 |
| Retained Profit | 2,443,243,514 |
| Total Equity (B) | 15,989,481,514 |
| | |
| Capitalization (A+B) | 19,703,317,758 |

2.11. RISK FACTORS

An investment in our Shares involves significant risks and is suitable only for those persons who understand the risks highlighted in this Prospectus. You should consider carefully each of the following risks described in this section and all of the other information set out in this Prospectus before making a decision to invest in our

Shares. These are not the only risks we face. Some risks are not yet known to us and there may be others which we currently believe are not material but may subsequently turn out to be so. If any of these risks develops into actual events, our financial position, results, cash flow, business operations, performance, achievements and/or prospects and any investment in our Shares could be, directly or indirectly, materially and adversely affected. In the event that this occurs, the trading price of our Shares could fluctuate or decline and you may lose all or part of your investment in our Shares.

*This Prospectus also contains forward-looking statements that have direct and/or indirect implications on our future performance. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks and uncertainties faced by us, as described in this section and elsewhere in this Prospectus. You should also consider the warning regarding forward-looking statements in the section “**Part I. Public Offering Summary - Forward-Looking Statements**” of this Prospectus.*

You should make the decision to invest in our Shares only after careful consideration and, if appropriate, consultation with your professional advisers, about your particular circumstances.

RISKS RELATED TO OUR BUSINESS AND OPERATIONS

Our financial performance may be adversely affected if we lose certain major customers.

Our major customers are major communications network operators and communications network equipment vendors, which in aggregate accounted for approximately 64.0% and 56.0% of our revenue in FY2015-2016 and FY2016-2017 respectively. There is no assurance that our major customers will continue to engage us. In the event that any of our major customers ceases to have business dealings with us or materially reduces their order level or value of contracts with us, there will be an adverse impact on our profitability and financial performance. Please refer to the section on “**Part III. Issuer Information – Description of Business - Material Contracts**” of this Prospectus for more information on our contracts with our major customers.

We are dependent on skilled employees.

The telecommunication industry is a fast-growing and fast-developing industry. It is characterised by evolving market trends, changing user preferences, increasing customer requirements, advancement of industry standards as well as technological changes especially in mobile and internet connectivity. To keep up with the dynamics of the industry, we are heavily reliant on skilled and experienced personnel including designers, engineers, project supervisors and other technical staff to develop and support our communications solutions and to provide services to our customers. In particular, the largest number of such professionals belong to the “BTS and Fiber Installation and Maintenance” business segment of our company. Our ability to compete effectively will depend on our ability to identify, hire and train new skilled employees and at the same time, retain and motivate our current skilled employees. Competition for qualified individuals with the requisite skills is intense. In the event that we are unable to attract and retain the number of skilled employees that we need, we may not be able to grow and compete effectively. In such event, our business and financial performance may be adversely affected.

We are dependent on our key management personnel.

Our continued success is dependent to a large extent on our ability to retain our Directors and key management personnel. Our Managing Director, Thiha Lwin, has been instrumental in the growth of the Company and will continue to provide strategic direction and formulate business strategies for our Company. Our success is also driven by our Directors and Executive Officers, who have in aggregate more than 10 years of experience in the

telecommunications industry. Our Chairman and Managing Director have been instrumental in helping us successfully secure long-lasting relationships with our major vendors, thereby securing projects for the continued growth of the Company. Together, they are responsible for implementing our expansion plans and business strategies and driving our growth. There is no assurance that we will be able to retain our Directors and Executive Officers. The loss of any Director or Executive Officer without suitable and timely replacement or our inability to attract and retain qualified personnel will have an adverse impact on our operations and performance.

Our Business is affected by changes in technology.

The telecommunication industry is dynamic and is characterised by evolving market trends, changing user preferences, increasing customer requirements, advancement of industry standards as well as technological changes. The development and commercialisation of new solutions which are acceptable to customers can result in existing solutions becoming obsolete and unmarketable. Consequently, all our business segments are potentially affected by changes in technology.

Our success depends on our ability to identify market trends, adapt to technological changes and to maintain a close relationship with our customers in order to understand their requirements. Should we fail to keep abreast of the latest developments in our industry, our solutions and technical knowledge as well as experience may become obsolete and be rendered irrelevant, and we may not be able to compete with the other players in the industry resulting in our reputation, business and financial performance being materially and adversely affected.

Fluctuations in technology spending caused by changes in macroeconomic conditions.

Spending on technology products and services is subject to fluctuations depending on many factors, including the economic environment, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level, and general consumer confidence in the markets in which our customers operate. We believe that the economic environment in the markets in which many of our customers operate remains unstable, and that the economic conditions in many countries remain challenging and may continue to be challenging in the near future. Reduced technology spending in response to the challenging economic environment has also led to increased pricing pressure from our customers, which can adversely impact our revenue, gross profit, operating margin and results of operations.

The recent instability in the global economy, driven by slower growth in developed markets coupled with the European debt crisis, the US financial and credit crisis (during which the US federal government was forced to take over or provide financial support to many leading financial institutions) has had an impact on the growth of the telecommunication industry and may continue to impact it in the future. This instability also impacts our business and results of operations, and may continue to do so in the future. If the global economy weakens or destabilises, our customers may reduce or postpone their technology spending significantly, or terminate or defer their contracts with us, which may negatively affect our revenues and profitability.

We face competition from existing competitors and new entrants to the industry.

We face competition from local and international players in the telecommunications industry. Our success will depend on our ability to compete effectively by delivering quality and value-added solutions and services. If our competitors are able to provide comparable solutions and services at more competitive prices and/or better quality, or more value-added solutions and services than us, we may lose our customers to our competitors. In addition, we may face intense competition from our competitors who may already be established in the markets we operate in or intend to venture into, as well as new entrants in the market. Our competitors may have, amongst others, better technical expertise, more competitive pricing, larger teams of professional staff, greater

financial and technical resources, and/or better marketing strategies. Moreover, they may be able to adapt more quickly to new and emerging technologies and changes in our customers' requirements. There is no assurance that we will be able to compete effectively in the market and if we are unable to do so, our financial performance will be adversely affected.

We are subject to intense competition in securing new projects

Our Business is mainly project-based and we already have long-term relationships with the major communications network operators and communications network equipment vendors. We generally secure new projects with other parties through a tender process whereby the contract is usually awarded to the most competitive bidder. As such, our financial performance is dependent on our ability to secure new projects. Due to the nature of our Business, the number and value of the projects we are able to secure fluctuate from year to year. There is no assurance that we will continue to be able to secure new projects that are profitable. If we are unable to secure new projects that are profitable, maintenance contracts for these new projects and/or new contracts with our existing major customers, which provides us with recurring revenue, our financial performance will be adversely affected. Furthermore, as we face intense competition in the tender process, we may be forced to lower our tender prices to secure the project which will adversely affect our profit margins.

We are dependent on our reputation and established goodwill.

Over the years, we have established our reputation in the telecommunications industry as a quality and innovative communications solutions and services provider. We believe that we have built significant goodwill in our name which has enabled us to gain customer loyalty. This is evidenced by the fact that the major communications network operators and communications network equipment vendors are repeat customers. Hence, if there are any major defects or lapses in our solutions and services or adverse publicity on our Company due to circumstances beyond our control, our reputation may be adversely affected and our customers may lose confidence in our solutions and services. As a result, our business and financial performance may be adversely affected.

Internal control and compliance

We have established and operated internal controls with the aim of ensuring the effectiveness and efficiency of business operations, reliability of financial reporting, compliance with applicable laws and regulations relevant to business activities and safeguarding of assets. For more information, please see the Section "**Part IV. Information on the Issuer's Management, Shareholders and Shares – Corporate Governance**" and "**Part V. Related Party Transactions – IPT Procedures**". However, if the internal controls that we implement fail to function effectively, or if there are deficiencies or material weaknesses in such internal controls, it may adversely affect the reliability of our financial reporting and compliance process.

We may require further financing for future growth.

We may come across other potential business opportunities that may be favourable to our Company's future growth and prospects. Under such circumstances, we may need to obtain additional capital through equity or debt financing. Raising additional equity financing may lead to a dilution in the interests of our Shareholders. Raising additional debt financing may restrict our ability to pay dividends and lower our flexibility in utilising working capital to react to changes in the business and industry environment. In addition, there is no assurance that we will be able to obtain additional financing on terms acceptable to us, or at all. In the event that we are unable to secure adequate financing at acceptable costs, our business and financial performance may be adversely affected.

We may be subject to actual and threatened litigation and other regulatory proceedings.

We may become involved in lawsuits and regulatory actions relating to our Business. Defending private actions can be costly and time consuming. If a judgment were to be rendered against us, we might be exposed to substantial financial liabilities. In addition to private actions, governmental and quasi-governmental agencies could bring a variety of actions against us. Other than the financial costs of defending these actions, governmental or quasi-governmental agencies may impose penalties for failure to comply with laws, rules or regulations.

We may not be able to maintain and/or obtain approvals and licenses from the relevant government authorities necessary to carry out or expand our business or to cope with future regulatory requirements.

We require certain licenses to conduct our Business. These licenses are subject to periodic renewal by the relevant government authorities, and the standards of compliance required may change. We are subject to the supervision of these authorities, each of which may be able to revoke or refuse to grant and/or to extend our licenses. While we have obtained all necessary licenses and permits required for our Business, there can be no assurance that we will be able to obtain all necessary licenses or permits in the future. Additionally, we may be found to be in breach of any condition of applicable licence(s) or any provision of any code of practice, standard of compliance or other government regulation or regulatory requirement. In such event, the relevant government authorities may take action against us, including issuing warnings, imposing penalties (including fines and/or term of imprisonment, where applicable), suspending the licence (or part thereof), reducing the duration of the licence or imposing additional conditions and/or restrictions on the licence, and/or cancelling the licence (in whole or in part).

If any of the activities carried out by us fails to meet the requirements of current rules or regulations and we are held liable, responsible, or if we fail to obtain the grant or renewal of the required licenses, we may have to cease our Business. Penalties may also be imposed upon us. These can materially and adversely affect our Business, net assets, financial condition and results of operations. Please also refer to the section on “*Part IX. Summary of Material Myanmar Laws and Regulations*” for further information on the licenses required to operate the Business, in particular the section on “THE TELECOMMUNICATIONS LAW 2013 AND MINISTRY OF TRANSPORT AND COMMUNICATIONS LICENSING RULES 2014”, as we have obtained an NFS(I) license.

We may not be able to comply with our customers’ specifications and may be affected by customer complaints and negative publicity.

The products and services provided to our customers in the course of our Business are predominantly based on the demands and preferences of our customers. Many of our products and services are critical to the operation of our customers’ businesses, and provide benefits which may be difficult to quantify. This exposes us to liability for issues with our products and services, and any failure thereof could result in a claim for substantial damages against us. Further, any errors by our employees in the delivery of our products or services could result in the termination of our engagement and/or claim for damages.

In addition to complaints arising from issues with our products and services or our failure to comply with our customers’ specifications, we may also be subject to other complaints, whether valid or invalid, about our products and services. We may also be affected by negative publicity stemming from the publication of industry findings and research reports (regardless of their accuracy or validity) concerning our products and services. Such complaints and negative publicity will affect our brand image and the sale of our products and services.

We may be affected by adverse impact from the outbreak of communicable diseases.

An outbreak of infectious disease in the markets where we operate may have an adverse impact in our operations and our financial performance. Market sentiment and consumer confidence could be affected and may lead to a deterioration of economic conditions. Further, in the event that our employees and/or workers or those of our sub-contractors or our suppliers are infected or suspected of being infected with any communicable disease, our Company, our sub-contractors and/or our suppliers may be required by health authorities to temporarily shut down the affected premises or project sites and quarantine the relevant workers to prevent the spread of the disease. This will result in project delays and potential cost overruns which may have an adverse impact on our business and financial performance.

We may be affected by disruptions to our operations due to external factors.

Our Company may face disruptions to our operations due to unforeseen external factors such as natural disasters, acts of God, fire, flooding, civil commotion, and other calamities or events beyond our control. This would result in longer lead-time for construction and delayed delivery of projects to our customers. Notwithstanding the measures and steps that we have taken, there is no assurance that emergency crises would not cause disruptions to our operations. As a result of such disruptions, failure to meet our customers' expectations and deliver our solutions and services as required by our customers could damage our reputation and/or expose us to legal claims and may, as a result, lead to loss of business and affect our ability to attract new business. In such events, our business and financial performance will be adversely affected.

RISKS RELATING TO MYANMAR

We may be affected by political, security, economic and social situations in Myanmar.

The economy of Myanmar (including its financial sector and its accounting system) is still developing. In addition, companies may have to deal with inadequate telecommunications, transportation and other infrastructure, and shortage of utilities and other essential services, which will affect the ease and cost of doing business in Myanmar. There is no certainty that political, economic and social reforms of the current Myanmar Government will continue or be successful, and there is no certainty that the business and investment environment in Myanmar will continue to improve or be sustainable. Ethnic and sectarian tensions may possibly hamper investor confidence, and the growth and stability of the economy. Any unfavourable changes in the political, economic and social conditions of Myanmar, and the existence of conditions impacting upon safety and security, may also adversely affect the attractiveness of the Business to potential customers.

The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty.

Our operations in Myanmar will be subject to the laws and regulations promulgated by the Myanmar legislature, and notifications and guidelines from various government authorities and bodies.

There have recently been significant changes to Myanmar laws and regulations which have modernised and strengthened Myanmar's legal framework, and our Directors believe such changes are likely to continue. However, the Myanmar Government is still in the process of developing its legal system to meet the needs of investors and to encourage foreign investment. As the Myanmar economy is undergoing development at a faster pace than its legal system, some degree of uncertainty exists in connection with whether and how existing laws and regulations will apply to certain events or circumstances. Specifically, whilst such changes to the laws and regulations have brought about improvement to Myanmar's legal and regulatory regime, the laws and

regulations may not be comprehensive and may not adequately address all concerns, may conflict with each other, and may sometimes be ambiguous and subject to different interpretations.

Further, the laws and regulations of Myanmar may be supplemented or otherwise modified by unofficial or internal guidelines and practices which exist but which are not documented or which are not generally available to the public or uniformly applied. Such guidelines and practices may not have been ruled upon by the courts or enacted by legislative bodies and may be subject to change without notice or adequate notice. There are also limited precedents on the interpretation, implementation or enforcement of Myanmar laws and regulations. This may create further uncertainty over the interpretation and application of Myanmar laws and regulations.

While Myanmar adopts a mixed legal system of common law, civil law and customary law, governmental policies play an overriding role in the implementation of the laws. Furthermore, the application and administration of Myanmar laws and regulations may be subject to a certain degree of discretionary determination by the authorities and may differ in implementation across various regional governments and government authorities and bodies.

In any event, the resolution of commercial and investment disputes by domestic tribunals, either through the courts or arbitration proceedings, is at present, limited. The experience of Myanmar courts with respect to commercial disputes is significantly limited, although arbitration is available under the Arbitration Law 2016. There are limited local experts with the knowhow needed to preside over commercial disputes and as the Arbitration Law 2016 has only been recently implemented in January 2016, dispute resolution in accordance with this law remains untested in Myanmar.

The uncertainties in the Myanmar legal system and the interpretation and application of Myanmar laws and regulations may adversely affect the attractiveness of the Business and in turn adversely affect the Company's Business, results of operations, liquidity and financial position.

We may be affected by sanctions imposed on Myanmar.

We may be affected by sanctions imposed on Myanmar. Some (but not all) of these sanctions imposed on Myanmar have been either lifted or temporarily suspended. It is uncertain whether the suspension of the relevant sanctions will be renewed. It is also uncertain whether these sanctions will ultimately be lifted, or if additional sanctions will be imposed. These continuing sanctions, the non-renewal of any suspension of these sanctions or the imposition of additional sanctions may hamper the economic growth of Myanmar, and may adversely affect the attractiveness of the Business to potential customers and in turn adversely affect the Company's business, results of operations, liquidity and financial position.

Sources of public and private financing for Myanmar projects continue to be weak.

While legislation has recently allowed licensed domestic banks to deal with foreign currency and to extend foreign currency loans to Myanmar companies, the existence of project financing and other financing arrangements within Myanmar is limited and may continue to be limited. Foreign banks are only permitted to operate within Myanmar through licensed foreign bank branches and they are currently only able to advance loans to foreign corporates. As an alternative to foreign banks, financing can be sought from local banks but the cost of obtaining funds from local banks are high. There is also the possibility of obtaining an offshore loan but this is subject to the requirement of obtaining CBM approval. With the limited funding options and the restrictions imposed from each respective sources of financing for the Company, there is no guarantee the Company will be able to secure financing sufficient for its future expansion plans.

Foreign Exchange Risk

Currently, there are no financial instruments available to any public company in Myanmar which will allow us to effectively hedge against the currency fluctuation risks of the Kyat. Should the Kyat depreciate against other currencies, such as the US\$, the price of imported goods will rise, which could have an adverse impact on our Business, financial condition and results of operations. This risk would apply to us in the event where our customers or suppliers require settlement of their invoices in US\$ or where transaction value in agreements with our customers or suppliers is stated in US\$ and actual payment is settled in Ks. In the latter case, the exchange rate at the time of the respective settlement applies. In particular, our BTS and fiber installation and maintenance business is the segment which is subject to this risk. Historically, between 10% and 20% of our total annual revenue is settled in US\$.

RISKS RELATING TO THE OFFERING

There has been no prior market for our Shares and the Offering may not result in an active or liquid market and there is a possibility that our Share price may be volatile.

Prior to the Offering, there has been no public market for our Shares. There is no assurance that an active trading market for our Shares will develop, or if it develops, will be sustained. There is also no assurance that the market price for our Shares will not decline below the Offering Price. The market price of our Shares could be subject to significant fluctuations due to various external factors which are outside our control and which may be unrelated or disproportionate to our financial results. Such events include the liquidity of our Shares in the market, difference between our actual financial or operating results and those expected by investors and analysts, the general market conditions and broad market fluctuations.

Investors may not be able to realise returns on their investment in the Offering Shares within a period that they would consider reasonable.

You should not expect that you will necessarily be able to realise your investment gains in the Offering Shares within a period that you would regard as reasonable. In the circumstances, the Offering Shares may not be suitable for short-term investment. There is also a risk that you may not be able to recover or receive returns on your investment in the event that we are not profitable or require a longer period than expected to be profitable.

Substantial future sale of Shares could adversely affect the market price of our Shares.

Immediately following the Offering, our Shares may be sold in the public market in Myanmar. Any future sale or availability of our Shares in the public market can have a downward pressure on our Share price. The sale of a significant amount of Shares in the public market after the Offering, or the perception that such sale may occur, could materially and adversely affect the market price of our Shares.

Our Share price may be volatile, which could result in substantial losses for investors purchasing our Shares pursuant to the Offering.

The market price of our Shares may fluctuate significantly and rapidly as a result of, among other things, the factors mentioned below:

- differences between our actual financial and operating results and those expected by investors and analysts;
- perceived prospects for our Business and operations;

- fluctuations in stock market prices and volume;
- changes in our operating results;
- changes in securities analysts' estimates of our financial performance and recommendations;
- changes in market valuation of similar companies;
- our involvement in litigation;
- additions or departures of key personnel; and
- changes in general economic and stock market conditions.

We may require additional funding for our growth plans, and such funding may result in a dilution of your investment.

We may require further funding in the future in order to grow and expand our operations. Under such circumstances, secondary issue(s) of securities may be necessary to raise the required capital to develop these growth opportunities. If new Shares are issued and placed to new and/or existing Shareholders, they may be priced as a discount to the then prevailing market price of our Shares, in which case existing Shareholders' equity interest will be diluted. If our Company fails to utilise the new equity to generate a commensurate increase in earnings, our earnings per Share may be diluted and this could lead to a decline in the market prices of our Shares. Any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

Negative publicity, including those relating to the Company or any of our Directors or Executive Officers, may adversely affect our Share Price.

Any negative publicity or announcement relating to the Company or any of our Directors or Executive Officers may adversely affect the performance of our Shares in the market, whether or not this is justifiable. Such negative publicity or announcement may include involvement in insolvency proceedings, legal disputes, and failed attempts in takeovers or joint ventures.

We may not be able to pay dividends to our Shareholders.

The Company's ability to pay dividends and make other distributions may depend on the Company's earnings and cashflows and are subject to laws and regulations in Myanmar and any restrictive loan covenants applicable to the Company. As such, there is no assurance that our Company will be able to pay dividends to our Shareholders. In the event of the Company's liquidation, there may not be sufficient assets for Shareholders to recoup their investment.

SELLING RESTRICTIONS

No action has been or will be taken in any jurisdiction that would permit a public offering of the Offering Shares outside Myanmar, or the possession, circulation or distribution of this document or any other material relating to

us or the Offering Shares in any jurisdiction where action for the purpose is required. Accordingly, the Offering Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisements in connection with the Offering Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The distribution of this Prospectus or any offering material and the offering, sale or delivery of our Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Prospectus or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Prospectus may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

PART III. ISSUER INFORMATION

3.1. OUTLINE OF THE ISSUER

3.1.1. HISTORY AND BACKGROUND OF THE ISSUER

Our Company was incorporated on 21 August 2007 in Myanmar under the Companies Act as a private limited company under the name of Tah Moe Hnye Chan Thar Tun Wai Thar Co., Ltd.. On 12 January 2016, the Company changed its name to TMH Telecom Co. Ltd. and on 20 May 2016, converted to a public limited company under the Companies Act in the name of TMH Telecom Public Co. Ltd.. As the Company has already commenced business operations on 21 August 2007 as a private limited company and as clarified with the SECM and DICA, no certificate of commencement of business will be issued in the case of a private limited company which converted to a public limited company. The Company has renewed its Certificate of Incorporation on 21 August 2014 and this is valid until 20 August 2019.

Further information on our Company is set out below for your easy reference.

| | |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Website | : www.tmhtelecom.com |
| Phone Number | : (+95 1) 8550348, 8550936 |
| Fax | : (+95 1) 573232 |
| Registered Office | : No.54, Eastern Business Centre, 4 th Floor and 5 th Floor, Lay Daung Kan Road, Thinggangyun Tsp, Yangon, Myanmar |

The Company started operations in 2007 and it was primarily focused on the manufacturing of quality automatic telephone exchanges (being a telecommunications system used in a switched telephone network in which there are electromechanical switches controlled by dialled pulses, that would automatically connect a caller to the recipient without the need for a human operator to manually interconnect telephone subscriber lines or virtual circuits of digital systems to establish telephone calls between subscribers) with the help of its own research and development team.

Thereafter, the Business of the Company was expanded to include the provision of other information and communication technology services and currently, the principal business activities of the Company are as follows:

- (i) fixed and mobile network engineering services;
- (ii) fiber turnkey projects;
- (iii) BTS and fiber installation and maintenance;
- (iv) manufacturing and distribution of mobile top-up-cards; and
- (v) conference system.

In 2016, Myanmar GT Broadband Co., Ltd. (“**GT Broadband**”) was set up as a joint venture between the Company and GCI Science & Technology Co., Ltd. to engage in the business of construction and operation of communication and broadband service in Myanmar. As at the Latest Practicable Date, the Company owns 38.8% of GT Broadband and GT Broadband does not account for 10% or more of the net assets, net liabilities or profit or loss before tax of the Company for the two most recent financial years.

Moving forward, the Company is also considering expanding into the installation of metro fiber networks in Myanmar. Please see the section on “*Part III. Issuer Information – Strengths / Strategies - Increase our presence by expanding and diversifying our Business into new and complementary business areas*” for more information.

The Company has obtained an NFS(I) license as described in “**Part IX. Summary of Material Myanmar Laws and Regulations**” under the section on “THE TELECOMMUNICATIONS LAW 2013 AND MINISTRY OF TRANSPORT AND COMMUNICATIONS LICENSING RULES 2014”. Please also refer to the section on “**Part IX. Summary of Material Myanmar Laws and Regulations**” for further information on the licenses required to operate the Business.

Mission of the Company

- To provide high quality service while establishing a successful relationship with our customers
- To build trust and loyalty with our partners

Vision of the Company

- To provide the best telecommunication service and bring convenience to the lives of Myanmar people

Core Values of the Company

- Mutual Respect
- Honesty and Transparency
- Trust
- Accountability and Reliability
- Continuous Learning

Further information on our Business can also be found under the “**Part II. Information on the Public Offering - Risk Factors**” and “**Part III. Issuer Information – Nature of Business**” Sections.

Awards and Accolades

- ISO 9001:2008 Certificate Number 75335/A/0001/UK/En from the United Registrar of Systems issued on 27 April 2016 and expiring on 14 September 2018. The scope of activities covered by this certificate is for the installation and maintenance of telecommunication services, internet service provider and the manufacture of top-up-cards.
- Award from the Internal Revenue Department of the Ministry of Planning and Finance for taxes paid in FY 2014-2015 and being ranked 267 in Myanmar
- Award from the Internal Revenue Department of the Ministry of Planning and Finance for taxes paid in FY 2012-2013 and being ranked 206 in Myanmar
- Authorised partner of Huawei Enterprise under its “Channel Partner Program” in 2017
- Certificate from the “Youth of Social Affairs” for donation made in 2016 in respect of aid being provided for flooding in certain regions of Myanmar

3.1.2. STRENGTHS / STRATEGIES

Strengths

Experienced and Professional Management Team

The Company’s management team has extensive industry knowledge, experience and operational expertise. The majority of its management team has an average of more than a decade of experience in the telecommunication industry (please refer to the section titled “**Part IV. Information on the Issuer’s Management, Shareholders**”).

and Shares” for more information). Under the stewardship of its Directors and Key Executives, the Company’s net profit after tax has grown from approximately 1 billion Kyats in FY2015-2016 to approximately 1.37 billion Kyats in FY2016-2017. Furthermore, the reputation and track record of the Company’s management team has assisted the Company in establishing close working relationships with its partners in the industry which include mainly the major telecommunication providers in Myanmar. The Company has as a result of this, built a vast network of established customers with long-standing relationships. Both of these are key to the Company’s continued growth.

The management team is supported by a strong team of technical professionals and sales personnel which as of the Latest Practicable Date number more than 400 employees spread across 30 branches and offices. Many of our engineers are also qualified with Huawei/ZTE training certificates.

Leading Domestic Player in the Telecommunication Industry

The Company’s Business is focused on the telecommunication industry and it is well known for providing quality products and service to its customers in various cities in Myanmar. The Company leverages on its over 10 years of operating experience in the telecommunication industry and its quality is recognised by the industry as shown by the above awards the Company has received. The Company is also in close contact with the Myanmar government and this helps the Company to be apprised of the relevant rules and regulations that would affect the Business of the Company and the relevant actions to be taken to address this. The Company also has had experience in assisting customers with telecommunication solutions in Shan and Kachin states, areas which have traditionally been subject to civil conflict. Our integrated products and services coupled with our experience to operate in conflicts areas in Myanmar enables us to preserve our position and reputation as a leading domestic player, thereby allowing us to retain existing customers and attract new customers.

Growing Loyal Customer Base

The Company’s first priority is serving its customers. By continually adapting to customer preferences and providing its customers with superior experiences, the Company has improved its overall customer satisfaction ratings and this is clearly reflected in the generally increasing scope of work and business cooperation with our loyal customers and also from the awards the Company has received which serve as a testament of the superior quality of the service provided by the Company to its customers.

Full turnkey solutions

The Company provides full turnkey services for its customers’ network infrastructure needs. Most of its competitors in the telecommunications industry typically provide segmental solutions to their customers whereas the Company has the expertise and ability to provide complete solutions and services from planning and design, to construction and implementation of its customers’ network infrastructure in an efficient and cost-effective manner. The Company believes that its customers benefit from the convenience, cost savings and efficiency which come from the provision of a comprehensive range of solutions and services through its turnkey solutions.

Strategies

Reinforcing and strengthening market position in Myanmar

The Company believes that it is one of the leading players in the telecommunication industry in Myanmar. It is a strategy of the Company to leverage on its market position to increase its market share in Myanmar. It does so by engaging with more potential customers so as to lower the average cost and to further develop its current

Business. The Company is also considering the feasibility of further enlarging the scope of its distribution business and in the near future, to expand into other value added services such as games and mobile payment solutions.

Increase our presence by expanding and diversifying our Business into new and complementary business areas

We intend to grow our Business by expanding and diversifying into new and complementary business areas. The Board is currently in discussion to provide dedicated centralised data centre solutions to customers in which the Company would assist customers with setting up the data centre, being a group of networked computer servers used by organisations for remote storage, processing or distribution of large amounts of data. In addition, the Board is also intending to expand the Business into the installation of metro fiber networks. Metro fiber is a new form of optic fiber which connects several enterprises in a metropolitan area by providing high speed broadband connection - high speed data is transmitted as light impulses. This will allow for faster internet connection in comparison with the current fiber optic networks available in Myanmar. We believe that our strong operating track record in the telecommunications industry will help us develop these new business areas and attract our existing loyal customers.

3.1.3. ORGANISATIONAL STRUCTURE OF THE ISSUER AND ITS GROUP

The Company has no subsidiaries.

The Company has the following associated company.

| Name of Company | Principal Activities | Country of Incorporation | Effective Equity Interest as at the Latest Practicable Date |
|--------------------------------|-----------------------------|---------------------------------|--------------------------------------------------------------------|
| Myanmar GT Broadband Co., Ltd. | Broadband network services | Myanmar | 38.8% |

3.1.4. OUTLINE OF PARENT, SUBSIDIARIES AND ASSOCIATED COMPANIES

The Company has no subsidiaries.

As of the Latest Practicable Date, GT Broadband does not account for 10% or more of the net assets, net liabilities or profit or loss before tax of the Company for the two most recent financial years.

3.1.5. CONDITIONS OF EMPLOYEES

As at the Latest Practicable Date, our Company has a total of 423 employees who undertake the below categories of activities and functions.

Breakdown of persons employed by main category of activity

| Main category of activity | Number of Employees |
|-------------------------------------------------------|----------------------------|
| Fixed and Mobile Networking Engineering Services | 36 |
| Fiber Turnkey Projects | 31 |
| BTS and Fiber Installation and Maintenance | 186 |
| Manufacturing and distribution of Mobile Top-up Cards | 100 |

| | |
|-----------------------------------------------------------------------|------------|
| Conference System | 5 |
| Management | 17 |
| General Administrative Matters (including finance and human resource) | 48 |
| TOTAL | 423 |

(As at the Latest Practicable Date)

Breakdown of persons employed by geographic location

| Geographic location | Number of Employees |
|----------------------------|----------------------------|
| Yangon | 231 |
| Nay Pyi Taw | 40 |
| Mandalay | 56 |
| Pyi Oo Lwin | 12 |
| Lashio | 32 |
| HsiBaw | 2 |
| Namatu | 1 |
| Manton | 1 |
| Mine Yal | 1 |
| MaBane | 2 |
| Naung Cho | 2 |
| Kyaukmae | 2 |
| Moe Mait | 1 |
| Monywa | 10 |
| ShweBo | 1 |
| Bago | 21 |
| Pathein | 1 |
| Hinthada | 1 |
| Tarli | 2 |
| Nauung Lay Bin | 2 |
| Pakokku | 2 |
| TOTAL | 423 |

(As at the Latest Practicable Date)

Professional qualifications of employees

| Professional qualifications | Number of Employees |
|------------------------------------|----------------------------|
| University Degree (Graduate) | 289 |
| University Degree (Undergraduate) | 40 |
| High School | 83 |
| Middle School | 9 |
| Primary School | 2 |
| TOTAL | 423 |

(As at the Latest Practicable Date)

Age of Employees

| Age of Employees (Years) | Number of Employees |
|---------------------------------|----------------------------|
|---------------------------------|----------------------------|

| | |
|--------------|------------|
| 18-28 | 280 |
| 29-40 | 127 |
| 41-65 | 16 |
| TOTAL | 423 |

(As at the Latest Practicable Date)

3.2. DESCRIPTION OF BUSINESS

3.2.1. NATURE OF BUSINESS

The Company has 30 branches and offices spread across Myanmar and further information of these offices are as set out in the below table.

| No. | Branch/ Office | Function/Responsibilities |
|------------|--------------------------|----------------------------------------------------------|
| 1 | Yangon | Head office |
| 2 | Yangon – Branch 1 | Mobile top-up-cards sale distribution |
| 3 | Yangon – Branch 2 | Mobile top-up-cards sale distribution |
| 4 | Yangon – Factory | Mobile top-up-cards production |
| 5 | Nay Pyi Taw – Branch 1 | Government office documentation |
| 6 | Nay Pyi Taw – Branch 2 | BTS maintenance |
| 7 | Mandalay | Branch office |
| 8 | Mandalay – Factory | Mobile top-up-cards production |
| 9 | Lashio | Mobile top-up-cards sale distribution BTS maintenance |
| 10 | Monywa | BTS construction and fiber installation |
| 11 | Myin Mu | BTS construction and fiber installation |
| 12 | Muse | Mobile top-up-cards sale distribution |
| 13 | Pyay (Bago West) | BTS maintenance |
| 14 | Gyo Bin Gauk (Bago West) | BTS maintenance |
| 15 | Kyauk Mae | BTS maintenance |
| 16 | Kyauk Mae | Mobile top-up-cards sale distribution |
| 17 | Naung Cho | BTS maintenance Mobile top-up-cards sale distribution |
| 18 | Ta Lay | Fiber maintenance |
| 19 | Myan Aung | Fiber maintenance |
| 20 | Kut Hkai | BTS maintenance |
| 21 | Hinthada | Fiber maintenance |
| 22 | Pathein | Maintenance |
| 23 | Magway | Maintenance |
| 24 | Nyaung Lay Pln | Maintenance |
| 25 | Pakokku | Fiber maintenance |

| | | |
|----|---------------|-------------------|
| 26 | Ye Nan Chaung | Fiber maintenance |
| 27 | Tant Yan | BTS maintenance |
| 28 | Meiktila | Maintenance |
| 29 | Moe Meik | BTS maintenance |
| 30 | Ngwe Saung | Maintenance |

| Material Capital Expenditure and Divestiture (Millions of Kyat) | | | |
|-----------------------------------------------------------------|-------------|-------------|-----------------------|
| Expense | FY2015-2016 | FY2016-2017 | FY2017-2018 Estimated |
| Project Expenses | 5,628 | 5,853 | 7,820 |

For the past two financial years, a material capital expenditure and divestiture has been project expenses and they make up 51.0% and 69.0% of the total expenses for FY 2015-2016 and FY2016-2017 respectively.

The Business of the Company is not seasonal in nature.

The Company is a licenced telecommunication company under the Telecommunications Law and has obtained an NFS(I) License to operate the Business. Please also refer to the section on “*Part IX. Summary of Material Myanmar Laws and Regulations*” and “*Part II. Information on the Public Offering - Risk Factors - We may not be able to maintain and/or obtain approvals and licenses from the relevant government authorities necessary to carry out or expand our business or to cope with future regulatory requirements.*” for further information on the licenses required to operate the Business.

3.2.2. OUTLINE OF EACH BUSINESS SEGMENT

Please see below for a breakdown of each business segment of the Company’s Business based on revenue and profit. However, as the various business segments are closely related and contracts with our customers are for various services rather than just for one service under each business segment, it is not possible to have an accurate breakdown and the below breakdown is only based on our estimates.

| Breakdown of each business segment based on revenue in FY2016-2017 | |
|--------------------------------------------------------------------|--------------------|
| Business segment | % of total revenue |
| Fixed and mobile network engineering services | 5.0 |
| Fiber turnkey projects | 10.0 |
| BTS and fiber installation and maintenance | 39.0 |
| Manufacturing and distribution of mobile top-up-cards | 44.0 |
| Conference system | 2.0 |

| Breakdown of each business segment based on profit in FY2016-2017 | |
|-------------------------------------------------------------------|-------------------|
| Business segment | % of total profit |
| Fixed and mobile network engineering services | 10.0 |
| Fiber turnkey projects | 18.0 |
| BTS and fiber installation and maintenance | 32.0 |
| Manufacturing and distribution of mobile top-up-cards | 32.0 |
| Conference system | 8.0 |

For purposes of our Business, we do not source raw materials such as crude oil and/or metals.

Fixed and Mobile Networking Engineering Services

Network engineering refers to the internetworking service requirements for a switched telephone network - a telecommunications network used for telephone calls between two or more parties. There are various telephone networks available in the telecommunication industry in this day and age and they include a landline network where the telephones must be directly wired into a single telephone exchange (also known as public switched telephone network) or a wireless network where the telephones are mobile and can move around anywhere within a certain specified coverage area. The fixed and mobile networking engineering service provided by the Company is the automatic switch system.

An automatic switch system is a switching system which facilitates the requisite operations to execute the different phases of information transfer which essentially is the process of moving messages containing user information from a source to a sink via a communication channel. In an automatic switching system, the transaction of information transfer is performed without human intervention, with the exception of the initiation of the access phase and the disengagement phase by the user (i.e., the subscribers of the major telecommunications provider in Myanmar for whom our Company is operating more than 100 such automatic switch system sites).

The Company has helped a major telecommunications provider in Myanmar maintain and operate more than 100 such automatic switch system sites for the benefit of its more than 60,000 subscribers.

A brief breakdown of the number and respective job descriptions of the workers who are engaged in Fixed and Mobile Networking Engineering Services across our various departments are as set out below (temporary employees are not included, as the Company does not hire temporary employees).

| Function/responsibility/Type of worker | Number |
|----------------------------------------------------------------------|--------|
| Automatic switch system repair ^(*) and system maintenance | 36 |
| Total | 36 |

(As at the Latest Practicable Date)

(*) "Automatic switch system repair" refers to the repair of components or parts of the automatic switch system.

Fiber turnkey projects

The Company has been engaged by telecommunication providers to set up and lay the optical fiber networks across Myanmar. These optical fiber cables span long distances and require fewer repeaters as compared to the conventional electrical cables. This is because the light propagates through the optical fiber cables with little attenuation compared to electrical cables. These optical fiber cables serve as a platform to carry the internet protocol's packet-switched connections to exchange voice, fax and other forms of information that have traditionally been carried over the dedicated circuit-switched connections of the public switched telephone network.

The Company has had extensive experience in the laying of optical fiber cable networks since 2010 and the table below sets out the various projects and routes the Company has recently been involved in.

| Routes | Approximate Distance based on purchase order (Km) | Category | Year Completed |
|----------------|---------------------------------------------------|--------------------|----------------|
| Mezali-Pyarpon | 210 | Buried fiber optic | 2015 |

| | | | |
|---------------------|-----|--------------------------------------|-------------------|
| | | connector project | |
| Tat kong-Pin Laung | 130 | Buried fiber optic connector project | 2015 |
| Pathein-Latt Putta | 142 | Buried fiber optic connector project | 2015 |
| Pathein-Chaung thar | 66 | Buried fiber optic connector project | 2015 |
| Moe Kaung - NanYun | 298 | Buried fiber optic connector project | 2015 |
| Monywa-Gan Gaw | 250 | Buried fiber optic connector project | 2015 |
| Muse-Pan Saing | 50 | Overhead | 2016 |
| Yangon | 500 | Overhead | Still in progress |

The Company has had experience in laying optical fiber cables in various regions in Myanmar and these include Kachin state and Shan state.

The typical scope of work that the Company would undertake in these fiber turnkey projects would begin with civil work - trenching over the land plots that it has been engaged by the customers to cover, after it has obtained the right of way from the various stakeholders on the land plots. Concurrently with this process, the Company would procure the supply of the optical fiber cables and the various ancillary accessories and to organise the logistics and warehouse management of the same to the respective areas in which they are required. Once the cables have been supplied to the project land plots, the laying of the cables proceed as planned. Depending on the requirements of the customer, micro duct laying, steel pipe protection, fiber protection, a retaining wall or drain cover protection might be employed. In the event that overhead cables are required, poles and overhead cables will be installed. Thereafter, the termination and splicing process would be conducted. In addition, after the project has been completed, the Company will also provide maintenance services on these optical fiber networks to our customers which include major telecommunications providers in Myanmar.

The Company is able to provide an all-in-one fiber turnkey project solution to its customers and to be able to do so, the Company has employed a dedicated team of professionals for this purpose. A brief breakdown of the number and respective job descriptions of such professionals across our various departments are as set out below (temporary employees are not included, as the Company does not hire temporary employees).

| Underground / Overhead Cable Installation | |
|--------------------------------------------------|-----------|
| Installation Group | 2 |
| Manager | 2 |
| Construction Engineers | 5 |
| Technician | 3 |
| Project Management Team | |
| Project Manager | 4 |
| Advanced Manager | 2 |
| Engineers | 10 |
| Foreign Technical Team | |
| Project Manager | 1 |
| Advanced Manager | 1 |
| Construction Supervisor | 1 |
| Total | 31 |

(As at the Latest Practicable Date)

BTS and Fiber Installation and Maintenance

The Company has assisted with the civil work for the installation of a BTS. The civil work provided by the Company includes the provision of services for the designing, planning, construction and management of telecommunication network infrastructures such as telecommunication towers. The typical scope of work provided by the Company would begin with the preparation of the site for erecting the telecommunication tower by laying out a concrete base. Once the foundation for the telecommunication tower, generator and ancillary equipment has been laid and casted, work would begin on erecting the telecommunication tower. As a safety measure, the grounding system would also be tested. If required, the telecommunication tower would also be fenced and gated up in accordance with the customer's requests. Finally, the Company also assist customers with completing the input of the (i) porting authorisation code which is a unique identifier used by some mobile network operators to facilitate mobile number portability and the (ii) forced authorisation code which regulates the type of calls that can be placed through the telecommunication tower.

As mentioned above, the Company assists with the installation of optical fiber cables across Myanmar and has had extensive experience in this regard since 2010. In addition, the Company also assists with the maintenance of the optical fiber cable network for major telecommunication network operators in Myanmar (approximately about 1,000 km of fiber cable maintenance). The typical scope of work for the maintenance of the optical fiber cables would be as follows:

- (A) Preventive maintenance, with the aim of maintaining the end-to-end continuity of the optical fiber cables,
 - (i) Cable maintenance
 - (ii) Ducts maintenance
 - (iii) Poles maintenance
 - (iv) Accessory device maintenance
 - (v) Auto protection system maintenance
- (B) Corrective maintenance, such as reception of a trouble report and fault testing,
 - (i) Cables restoration
 - (ii) Cables recovery
 - (iii) Duct recovery
 - (iv) Pole recovery

The Company also assists customers with the installation of the transmission equipment in the BTS and also on setting up the solar and diesel generator supply in this regard. To ensure a continuous power supply to the BTS, the Company is able to support customers with providing the requisite power back up solutions with the setting up of these solar and diesel generators. Our customers include both the major telecommunication network operators and also certain equipment vendors who have projects with telecommunication network operators in Myanmar.

In addition, the Company also conducts BTS maintenance across various regions in Myanmar. The Company has had experience in maintenance of various BTS including the 60 metres 4 leg angular tower, 45 metres 3 leg tubular tower, 9 metres non-penetrated roof top and the 40 metres monopole. The typical scope of work conducted in such BTS maintenance would include, amongst others, (i) repairing and maintaining antennas, feeders and backhaul links, (ii) repairing and maintaining AC/DC power, transformers, HT/LT, rectifiers and batteries, (iii) repairing and maintaining air-conditioners, (iv) repairing and maintaining engines, generators and solar systems, (v) repairing and maintaining towers, earthing systems, (vi) continuous alarm monitoring. To

ensure the adequacy of the maintenance services conducted, the Company will utilise an OTDR which is useful for testing the adequacy of cables. An OTDR can verify splice, loss, measure length and find faults. The OTDR is also commonly used to create a “picture” of cables and thereafter, comparisons can be made between the original trace and a second trace is taken if problems arise. The OTDR will show where the cables are terminated and confirm the quality of the connections and splices. To rectify any irregularities, a splicer would be used to join the cables together. A mobile generator will also be employed to ensure that the relevant equipment will be adequately powered. We have assisted our customers for BTS maintenance on over 800 sites in Nay Pyi Taw, Bago and Shan state.

Please see below for a breakdown of the number and type of workers across our various departments for this segment of the Business (temporary employees are not included, as the Company does not hire temporary employees).

| BTS and Fiber Installation and Maintenance team | |
|--------------------------------------------------------|------------|
| Project Manager | 8 |
| Senior Engineer | 40 |
| Assistance Manager | 11 |
| Junior Engineer | 107 |
| Document Controller | 20 |
| Total | 186 |

(As at the Latest Practicable Date)

Manufacturing and distribution of mobile top-up-cards

The Company has been manufacturing and distributing mobile top-up-cards since 2010. The top-up-cards manufactured by the Company include the “GSM top-up-card”, “CDMA 450 top-up-card” and the “CDMA 800 top-up-card” for customers which include major telecommunications network providers in Myanmar.

These top-up-cards are manufactured in factories owned by the Company in Yangon and Yadanarpon. The monthly production capacity of these factories are approximately 3 million top-up-cards and the current distribution cluster for the Company’s top-up-cards are in Yangon and Shan state.

For this aspect of the Business, the Company has employed about 100 employees across our various departments and a breakdown of their number and respective job descriptions are as set out below (temporary employees are not included, as the Company does not hire temporary employees).

| Mobile Top-up-cards Sale and Distribution | |
|--------------------------------------------------------------------|------------|
| Head Of Department / Factory Manager / Manager / Area Sale Manager | 5 |
| Engineer | 9 |
| Quality Controller | 9 |
| Store / Operation Coordinator | 2 |
| Supervisor / Team Leader / Sale Support Distributor Sale Person | 69 |
| Finance | 4 |
| Other | 2 |
| Total | 100 |

(As at the Latest Practicable Date)

Conference System

The Company is also able to provide conference systems for use at meetings and events so as to help facilitate the management of such meetings and events and to convey information to a wide audience. Such conference systems include the interpreter unit, interpreter booth, multi-channel infrared radiator, audio and video recorder, wireless headsets, receivers and the conference system main unit. The Company has had experience in providing conference systems and interpreter systems to convention centres and certain ministries in Myanmar.

The Company allocates employees on a case-by-case basis for this business segment in accordance with the size of projects and uses employees from the other business segments for this function. As indicated in “Breakdown of each business segment based on revenue/profit in FY2016-2017” above, repetition and significance of this function is relatively limited. Therefore, there is no fixed employee number available for this function.

Others

In 2016, GT Broadband was set up to engage in the business of construction and operation of communication and broadband service in Myanmar. As at the Latest Practicable Date, the Company owns 38.8% of GT Broadband and GT Broadband does not account for 10% or more of the net assets, net liabilities or profit or loss before tax of the Company for the two most recent financial years.

In addition to our principal business lines within our Business, we also hold minority stakes in the below Myanmar company:

| Name of Company | Business | % holding in company | Amount invested (Millions of Kyat) |
|----------------------|-------------------|----------------------|------------------------------------|
| Myanmar GT Broadband | Telecommunication | 38.8% | 544 |

3.2.3. SALES AND MARKETING

We market our brand, products and services through personal and professional referrals. Our approach to the Business revolves around our mission, vision and core values. This emphasis has cultivated much brand loyalty and goodwill. Our partners and customers routinely refer new business to us by “word of mouth”, and the resulting customers have confidence in our products and services. We will continue to cultivate brand loyalty and goodwill amongst our existing customers.

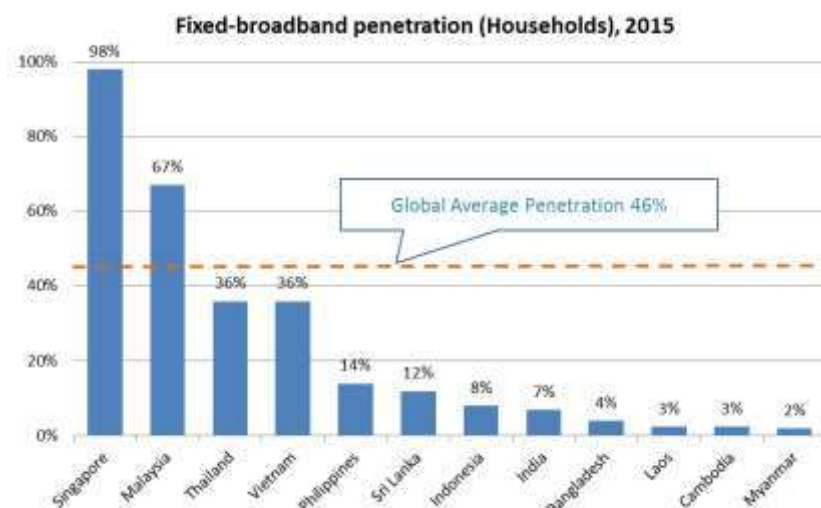
In addition, our corporate website details our products and services, and is also an avenue for us to educate the public on our Company’s brand, awards, accreditations, value-added solutions. **Information contained in our corporate website does not constitute part of this Prospectus.**

3.2.4. COMPETITION

The telecommunication industry is highly competitive, with various small to medium sized solutions and service providers and a few large established players.

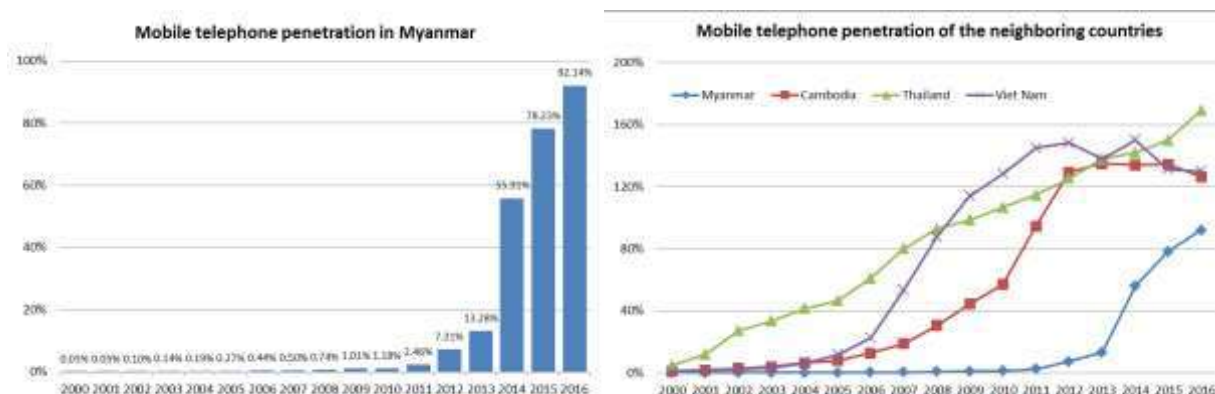
The first Internet connections in Myanmar were established in 2000, internet services in Myanmar still remain slow and unstable relative to the world. However, Internet users have significantly increased from 0% (in 2000) to approximately 20% of the population in 2016 with the introduction of faster mobile 3G and 4G internet by transnational telecommunication companies. The market for fixed-line internet remains dominated by state-run Myanmar Posts and Telecommunications (MPT), and quasi-government public company Yatanarpon Teleport, the first two entities licensed to provide broadband services. Amara Communications Co., Ltd., Red Link

Communications Co., Ltd. and Frontiir Co., Ltd. are the other common Internet service providers in Myanmar. Eager Communications Group Co., Ltd. and Myanmar Fiber Optic Communication Network Co., Ltd. are other commonly known optic fiber cable builders for internet access. As the below chart indicates, Myanmar is still behind of the neighbouring ASEAN countries in terms of “Fixed-broadband penetration (Households)”. There is a huge potential market to develop, and it is one of the factors that make the telecommunication industry highly competitive.



(Source: International Telecommunication Union).

The roll-out of new information and communications technologies (ICT), infrastructure and services in Myanmar is having a transformative impact on the country. In particular, mobile phone penetration has increased from 0% to 92% between 2000 and 2016 (source: World Bank and International Telecommunication Union). Mobile telephone penetration rate in the neighbouring countries (Thailand, Vietnam, and Cambodia) are well above the rate of Myanmar as observed in the following chart. It indicates that the telecommunication industry in Myanmar still has a huge potential for further sustainable growth. The growing availability of mobile telephone such as smartphone is increasing opportunities for better internet access as well as more competition in the industry. Apollo Towers Myanmar Ltd. and Irrawaddy Green Towers Ltd. are the other well-known telecom tower providers in Myanmar.



(Source: World Bank and International Telecommunication Union).

It has been estimated that by 2030 the ICT sector could contribute \$6.4 billion to Myanmar’s GDP and employ approximately 240,000 people (source: Myanmar Centre for Responsible Business).

We believe that we are able to compete effectively against our competitors because of our established reputation as a reliable solutions and services provider, the consistent quality of our solutions and services as well as our good relationships with our customers.

3.2.5. MATERIAL CONTRACTS

| Date | Parties | General Nature of Contract | Salient Terms and Conditions | Amount of Consideration |
|-------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 Aug 2016 | GCI Science & Technology Company Limited TMH | Cooperation Agreement on Establishment of Myanmar GT Broadband Company Limited as a Joint Venture | Establish a joint venture entity to engage in the business of broadband network construction and operation as well as communication network technology service | N/A, this is a cooperation agreement in a joint venture company in which the Company had invested in |
| 1 Apr 2017 | Huawei Technologies (Yangon) Company Limited; TMH | OSP Maintenance Service Agreement (Maintenance Project) | Provision of preventive maintenance and corrective maintenance for the access, aggregation and metro links, leased fiber routes and transmission backbone | Not stated in agreement as consideration will only be agreed on in the purchase order as and when issued by Huawei and accepted by the Company |
| 1 Apr 2016 | Myanmar Post and Telecommunications Enterprise; TMH | Maintenance Agreement | Provision of inspection, repairing and/or maintenance of a certain specified number of overhead and underground fiber optic cables routes including patrolling and routine maintenance activities | Confidential amount – negotiated on an arm's length and willing buyer – willing seller basis |
| 1 Jan 2017 | Myanmar Post and Telecommunications Enterprise; TMH | Maintenance Agreement | Provision of inspection, repairing and/or maintenance of a certain specified number of overhead and underground fiber optic cables routes including patrolling and routine maintenance activities | Confidential amount – negotiated on an arm's length and willing buyer – willing seller basis |
| 1 Jul 2016 | Myanmar Post and Telecommunications | Maintenance | Provision of inspection, repairing | Confidential amount – negotiated on an arm's |

| | | | | |
|-------------|------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| | Enterprise; TMH | Agreement | and/or maintenance of a certain specified number of overhead and underground fiber optic cables routes including patrolling and routine maintenance activities | length and willing buyer – willing seller basis |
| 27 Oct 2016 | Myanmar Post and Telecommunications Enterprise; TMH | Repair and Maintenance Services Contract for Mobile Stations | Provision of repair and maintenance work and services on up to 223 stations in Nay Pyi Taw for one year and automatically renewed for additional one year terms | Confidential amount – negotiated on an arm's length and willing buyer – willing seller basis |
| 27 Oct 2016 | Myanmar Post and Telecommunications Enterprise; TMH | Repair and Maintenance Services Contract for Mobile Stations | Provision of repair and maintenance work and services on up to 194 stations in Bago West for one year and automatically renewed for additional one year terms | Confidential amount – negotiated on an arm's length and willing buyer – willing seller basis |
| 27 Oct 2016 | Myanmar Post and Telecommunications Enterprise; TMH | Repair and Maintenance Services Contract for Mobile Stations | Provision of repair and maintenance work and services on up to 272 stations in Shan North for one year and automatically renewed for additional one year terms | Confidential amount – negotiated on an arm's length and willing buyer – willing seller basis |

Please also refer to the section on “**Part XI. Other Information – Documents available for inspection**”.

3.2.6. PROPERTIES, PLANT AND EQUIPMENT

| Location | Lease Term | Approximate Area | Use of Property | Lessor | Lessee |
|-------------------------------------------------------------------------------|---------------------------------------------------------|------------------|-------------------------------------------|-------------------------|-------------------------------|
| No.54, 4&5 th Floor, Lay Htaut Kan Street, Thingangyun Tsp, Yangon | Lease period is up to 14 May 2018 | 6624 Square Feet | Head office | Eastern Mining Co., Ltd | U Thiha Lwin on behalf of TMH |
| No.76, Zingama Street, 2 nd North Quarter, Thakayta Tsp, Yangon | Lease period from 1 September 2017 up to 31 August 2018 | 2400 Square Feet | Prepaid top up card sale and distribution | Daw Than Than Win | Hsu Wai Linn on behalf of TMH |
| No.9/A, Thitsa Road, South Okkalapa Tsp, 10 | Lease period from 29 September 2017 up to 29 September | 750 Square Feet | Prepaid top up card distribution | U Aye Lwin | U Thet Myo Tun on behalf of |

| Location | Lease Term | Approximate Area | Use of Property | Lessor | Lessee |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-------------------|------------------------------------------------------|-----------------------|---------------------------------------|
| Quarter, Yangon | 2018 | | | | TMH |
| No.216, 2 nd Ingyin Myaing Street, Bogyoke Quarter, Thuwanna Tsp, Yangon | Lease period from 1 January 2017 up to 31 December 2017 | 6400 Square Feet | Hostel of foreign employees | U Win Aung | U Thiha Lwin on behalf of TMH |
| Room 2/C, Zawtika Condo, Lay Daung Kan Road, Thingangyun Township | Lease period from 1 April 2017 up to 31 March 2018 | 1470 Square Feet | Hostel of local employees | Daw Yee Yee Han | Daw Su Wai Linn on behalf of TMH |
| Room 501, 5 th Floor, Building No.D, Malikha Condo, Thingangyun Tsp, Yangon | Lease period from 5 May 2017 up to 5 May 2018 | 900 Square Feet | Hostel for foreign employees | U Nein Cham Oo | TMH |
| Room.305, 3 rd Floor, Building No.D, Malikha Condo, Thingangyun Tsp, Yangon | Lease period from 4 August 2017 to 3 August 2018 | 1250 Square Feet | Hostel for foreign employees | U Kyaw Swar Htet | Daw Hsu Wai Lin on behalf of TMH |
| No.5706, Yaza Thingaha Road, Ottarathiri Tsp, Naypyitaw | Lease period up to 31 December 2017 | 1600 Square Feet | Government office documentation | Daw Khin Hnin Lwin | U Thiha Lwin on behalf of TMH |
| No (31692), Yati (5) Road, Dat Khi Na Thiri Quarter, Dat Khi Na Thiri Township, Pope Pa Quarter, Naypyidaw, Myanmar | Lease period from 22 August 2017 up to 22 February 2018 | 5600 Square Feet | BTS maintenance | U Win Naing | Daw Khine Wit Ye Lin on behalf of TMH |
| No.5707, Yarzar Thingaha Road, Oattara Thiri Tsp, Naypyitaw | Lease period from 1 April 2017 up to 30 March 2018 | 1600 Square Feet | Hostel for employees | U Thura Lwin | TMH |
| No.73, Mahar Aung Myae Tsp, Mandalay | Lease period is from 14 June 2017 to 15 December 2017 | 13200 Square Feet | Branch office | Daw Thu Zar | U Thiha Lwin on behalf of TMH |
| No. 23, Myawadee Road, 1 st Quarter, Lashio | Lease period up to 31 December 2017 | 8000 Square Feet | Prepaid top-up card distribution and BTS maintenance | Daw Khin Hnin Lwin | U Thiha Lwin on behalf of TMH |
| No.65, Thitsar Road, Min Ye Kyaw Swar Quarter, Myin Mu, Sagaing Region | Lease period from 1 October 2017 to 1 April 2018 | 2400 Square Feet | BTS, fiber construction and installation | Daw Nwet Nwet Yi | U Thant Zin on behalf of TMH |
| No. KaLa227, Panlon (2) Street, Kaung Mu Don Quarter, Muse | Lease period from 1 November 2017 up to 31 October 2018 | 2400 Square Feet | Prepaid card distribution | Daw Min Khin Khin Thu | Daw Hsu Wai Lin on behalf of TMH |
| No. 62, West Myoe Pat Rd, Gyopingauk. | Lease period from 1 September 2017 up to 1 March 2018 | 1700 Square Feet | BTS maintenance | U Zaw Thet | Ko Nay Zaw Latt on behalf of TMH |
| No.1, Pin Lon Street, 1st Quarter, Kyauk Mae, Northern Shan State | Lease period from 1 October 2017 up to 31 March 2018 | 4000 Square Feet | BTS maintenance | U Ko Ko Maung | U Ye Win on behalf of TMH |
| No.2, PinLon Street, 1st | Lease period from 1 | 4000 Square Feet | Prepaid top up card sale | U Ko Ko Maung | U Ye Win on |

| Location | Lease Term | Approximate Area | Use of Property | Lessor | Lessee |
|-----------------------------------------------------------------------------------|---------------------------------------------------------|-------------------|-----------------------|---------------------|---------------------------------------|
| Quarter, Kyauk Mae. | September 2017 up to 31 August 2018 | | and distribution | | behalf of TMH |
| No-10, Quarter (2), Pyihtaungsu Road, Kutkai, Shan State | Lease period from 14 July 2017 up to 14 January 2018 | 4800 Square Feet | BTS maintenance | U Soe Myint | U Ye Win on behalf of TMH |
| No.7/A, Pann Paung Street, Pepadan Quarter, Hinthada, Ayeyarwady Division. | Lease period from 6 August 2017 to 6 February 2018 | 2400 Square Feet | Fibre maintenance | Daw Myint Myint Swe | U Min Htet Aung on behalf of TMH |
| No.48, Theindawgyi Street, 3 rd Quarter, Pathein, Ayeyarwady Region | Lease period from 1 September 2017 to 28 February 2018 | 2400 Square Feet | Maintenance services | U Tin Naing | U Tin Maung Soe on behalf of TMH |
| No. 168, 6 th Street, Yanmyolon Quarter, Magwe | Lease period from 1 March 2017 up to 28 February 2018 | 1200 Square Feet | Maintenance services | Daw Aye Thin | TMH |
| No. Thamasateda Street, Myoema (2) Quater, Nyaunglebin | Lease period from 25 August 2017 up to 25 February 2018 | 2400 Square Feet | Maintenance services | U Aye Minn San | U San Min Oo on behalf of TMH |
| No. H-18, Nwe Ni Street, Myot Thit Quarter, Pakokku. | Lease period from 4 October 2017 up to 4 April 2018 | 2400 Square Feet | Fibre maintenance | U Linn Mg Mg Swe | Daw Khine Wit Ye Lin on behalf of TMH |
| No.1, PhaYar Street, Your Ma Quarter, Yenangyaung | Lease period from 4 October 2017 to 4 April 2018 | 8000 Square Feet | Fibre maintenance | Daw Khin Lay Oo | Daw Khine Wit Ye Lin on behalf of TMH |
| No.1, Kone Sein Kyaung Road, 2 nd Quarter, Tanyan, North Shan State | Lease period from 1 October 2017 to 31 March 2018 | 2400 Square Feet | BTS maintenance | Daw Nan Win Win Lin | U Ye Win on behalf of TMH |
| No.30, Ba Yint Naung Street, Warthu Quarter, Meiktila Township, Mandalay Division | Lease period from 16 September 2017 up to 15 March 2018 | 2400 Square Feet | Maintenance services | U Maung Win | Daw Khine Wit Ye Lin on behalf of TMH |
| HaNa-43, Bogyoke Street, Hawngang Quarter, Moe Mate Town | Lease period from 10 September 2017 to 9 December 2017 | 2400 Square Feet | BTS maintenance | Daw Nan Shang Huang | U Ye Win on behalf of TMH |
| 3 rd Street, 2 nd Quarter, Ngwe Saung | Lease period from 4 August 2017 to 4 February 2018 | 1200 Square Feet | Maintenance services | U Win Myint | TMH |
| No. 26, Man Aung Quarter, Pyay | Lease period from 12 August 2017 to 12 February 2018 | 1800 Square Feet | BTS maintenance | U Kyin Than | TMH |
| No. 25, Lattpan Mid Street, 5 th Quarter, Myan Aung | Lease period from 14 August 2017 to 14 February 2018 | 10000 Square Feet | Fibre maintenance | U Khin Maung Than | TMH |
| No. 50, Myaung Baung St, Thet Taw Shae Quarter, Pwint Phyu. | Lease period from 6 November 2017 to 6 May 2018 | 3000 | MPT Fibre maintenance | Daw Myat Su Mon | Daw Aye Myint Kyi on behalf of TMH |
| Anawyahter St, North Quarter, Seik Phyu. | Lease period from 15 November 2017 to 15 May 2018 | 8000 | MPT Fibre maintenance | Daw Yin Htay Hlaing | Daw Aye Myint Kyi on behalf of |

| Location | Lease Term | Approximate Area | Use of Property | Lessor | Lessee |
|-----------------------------------------------------|-----------------------------------------------------------|------------------|--------------------------------------------------|-------------------|------------------------------------|
| | | | | | TMH |
| No. 74, Kyauk Tine St, No.3 Quarter, Natogyi. | Lease period from 8 November 2017 to 8 May 2018 | 2700 | MPT Fibre maintenance | Daw Tin Tin Mya | Daw Aye Myint Kyi on behalf of TMH |
| No. 83, Tharaphe Street, Buu Tar Quarter, Naung Cho | Lease period from 1 September 2017 up to 28 February 2018 | 800 | BTS Maintenance Prepaid Top Up Card Distribution | Daw San San Khein | U Ye Win on behalf of TMH |

| Location | Approximate Area | Use of Property | Owner |
|-----------------------------------------------------------------------------------------------|------------------|------------------------|----------------------------------------------------------|
| Lot No.C-6-1, Block No. C-6, Yadanarpon Myo Thit (North) 0.2296 Acre, Pyin Oo Lwin, Mandalay | 0.2296 Acre | Top up card production | TMH based on a 10 year grant from the Myanmar government |
| Lot No.C-6/15, Block No. C-6, Yadanarpon Myo Thit (North) 0.1653 Acre, Pyin Oo Lwin, Mandalay | 0.1653 Acre | Top up card production | TMH based on a 10 year grant from the Myanmar government |
| Lot No.C-6/14, Block No. C-6, Yadanarpon Myo Thit (North) 0.2296 Acre, Pyin Oo Lwin, Mandalay | 0.2296 Acre | Top up card production | TMH based on a 10 year grant from the Myanmar government |

There are no major encumbrances on the above-listed properties.

3.2.7. RESEARCH AND DEVELOPMENT

We do not currently and for the last two financial years undertake any significant research and development activities.

3.3. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with our audited financial statements as at and for the years ended 31 March 2016 and 2017 and related notes thereto in “Financial Information”.

3.3.1. Operating Results

Our management analyses significant factors, including unusual or infrequent events or developments, materially affecting our income from operations as following.

GENERAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations are subject to the general economic conditions in Myanmar.

Government Regulations

Our businesses are subject to government regulations and require licences and permits. Changes in government regulations may affect the performance of our businesses, our financial operations and our results of operations. For details, see “Summary of Material Myanmar Laws and Regulation”.

ADDITIONAL FACTORS AFFECTING TMH'S RESULTS OF OPERATIONS

The primary factors that have historically affected, and will continue to affect our results of operations include:

- Growth of BTS and fiber installation and maintenance;
- Growth of manufacturing and distribution of mobile top-up-cards;
- Growth of number of subscribers in Broadband business and
- Competition.

Growth of BTS and fiber installation and maintenance

BTS and fiber installation and maintenance represented 39% of our total revenue, and 32% of our profit for in FY2016–2017. In order to increase our revenue and profit, we will need to increase the size and number of BTS and fiber installation and maintenance projects. In this regard, our Board views the expansion of this business segment as one of the key focus for the Company. The proceeds from this Offering is anticipated to be utilized for this business segment. For further details, please refer to the Section on “**Part II. Information on the Public Offering - Use of Proceeds**”.

Growth of manufacturing and distribution of mobile top-up-cards

Manufacturing and distribution of mobile top-up-cards represented 44% of our total revenue, and 32% of our profit in FY2016–2017. In order to increase our revenue and profit, we will need to increase the size and number of manufacturing and distribution of mobile top-up-cards.

Growth of number of subscribers in Broadband business

As described in “**Issuer Information**” at page 34, in 2016, GT Broadband was set up as a joint venture between the Company and GCI Science & Technology Co., Ltd. to engage in the business of construction and operation of communication and broadband service in Myanmar. As at the Latest Practicable Date, we own 38.8% of GT Broadband. In order to increase our revenue and profit, we will need to increase number of subscribers for our Broadband business.

Competition

The telecommunication industry is highly competitive, with various small to medium sized solutions and service providers and a few large established players. We believe that we are able to compete effectively against our competitors because of our established reputation as a reliable solutions and services provider, the consistent quality of our solutions and services as well as our good relationships with our customers.

3.3.2. Financial Condition

TMH was established as a private company in 2007 and converted to a public company in 2016. Our profit has increased since establishment, however our return on equity ratio slowed down in FY2016–2017 because of a capital increase. We are hoping to improve this ratio in the coming years. There are no material or significant changes in the items with respect to the issuer’s asset, liability and equity except for the establishment of GT Broadband and the increase in share capital. For GT Broadband, please refer to the subsection on “*Growth of number of subscribers in Broadband business*” for more information. For the increase in share capital, please refer to the subsection below on “*Capital Structure / Capitalization / Shareholder Equity*”.

Profitability

| (Millions of Kyat) | FY2016-2017 | FY2015-2016 |
|---------------------------|--------------------|--------------------|
| Net profit (before tax) | 1,837.99 | 1,408.69 |
| Net profit (after tax) | 1,378.49 | 1,056.52 |

| | | |
|------------------|--------|--------|
| Return on equity | 11.55% | 10.96% |
|------------------|--------|--------|

Explanation of Performance for FY 2016-2017

Overall, our profit (before tax) increased to Ks 1,837.99 million in FY2016-2017 from Ks 1,408.69 million in FY2015-2016, which is a 30% increase. Profit after tax also increased from Ks 1,056.52 million in FY2015-2016 to Ks 1,378.49 million in FY2016-2017, which is also a 30% increase. As a result, the return on equity ratio improved to 11.55% in FY2016-2017. Although total revenue decreased, due to fewer projects, to Ks 9,466.08 million in FY2016-2017 from Ks 12,305.60 million in FY2015-2016, which is a 23% decrease, we managed to secure a 30% increase in profit. On top of our stable income stream from operational business projects, our other income streams also partially contributed to the increase in profit. In our audited financial statements of FY2016-2017, we have made a change in our accounting method to recognize an expense item of “Selling & Distribution Costs” as a result of a due consultation with our external auditor. Some expenses in “Selling & Distribution Costs” recognized in FY2015-2016 are recognized as “Costs of Goods Sold” in our audited financial statements of FY2016-2017.

In addition to that, during the FY 2016-17, 66.2% of our net income is generated from “Other Income”, out of which 25.2% is represented by a divestiture of a hotel investment in Nay Pyi Taw. The Nay Pyi Taw hotel divestiture is the one-off transaction. However, other income streams such as “Tower Project”, Fiber Project and “CCTV Project” would keep contributing TMH’s income base in a foreseeable years to come. For further details, please refer to our audited financial statements and related notes thereto in “Financial Information”.

3.3.3. Liquidity and Capital Resources

Our Capital was Ks 640.00 million in FY2015-2016. However, our capital increased to Ks 9,347.8 million in FY2016-2017. Our return on equity ratio lowered due to this capital increase. But we are hoping to improve profitability and the ratio in coming years.

The following table sets out our capitalization for the financial year ended March 31, 2016 and 2017.

| (Millions of Kyat) | FY2016-2017 | FY2015-2016 |
|--------------------|-------------|-------------|
| Paid up capital | 9,347.80 | 640.00 |
| Share premium | 143.90 | - |
| Retained Profit | 2,443.24 | 9,004.15 |

Key Ratio

| | FY2016-2017 | FY2015-2016 |
|----------------------|-------------|-------------|
| Liquidity ratio | 318.61% | 214.27% |
| Cost to income ratio | 64.36% | 47.52% |
| Solvency ratio | 25.14% | 13.72% |

The Company’s financial liquidity is in a stable condition with the Current Assets being Ks.14,902 million and Ks.14,804 million respectively in FY2016-2017 and FY2015-2016, to the Current Liabilities Ks.6,955 million and Ks.4,646 million respectively in FY2016-2017 and FY2015-2016.

As of the Latest Practicable Date, the Company completed repayment of the Long-term Loan of Ks.1,000 million which was recognized in the audited financial statements for FY2016-2017. Consequently, there are no outstanding long term loans as at the Latest Practicable Date.

Payment of Taxes (Millions of Kyat)

| Year | Tax |
|--------------|---------------|
| FY2015-2016 | 352.17 |
| FY2016-2017 | 459.50 |
| Total | 811.67 |

Profit and Income Tax (Financial Year)

| (Millions of Kyat) | FY2016-2017 | FY2015-2016 |
|---------------------------|--------------------|--------------------|
| Profit | 1,378.49 | 1,056.52 |
| Income Tax | 459.50 | 352.17 |

Income and Expenditure

| (Millions of Kyat) | FY2016-2017 | FY2015-2016 |
|---------------------------|--------------------|--------------------|
| Income | 10,379.09 | 12,419.43 |
| Expenditure | 8,541.10 | 11,010.74 |
| Profit before Tax | 1,837.99 | 1,408.69 |

In FY2015-2016, we made significant progress in the fiber turnkey business and set up our first collaboration with a major telecommunication operator in Myanmar. Pursuant to this and based on our previous engagements, we have taken on more than 1,000 km of fiber turnkey projects.

In FY2016-2017, we enlarged the scope and reach of our BTS maintenance services. We have provided BTS maintenance services to various state owned enterprises across various regions in Myanmar like Bago, Naypyidaw and Shan state. In addition, we have also our scope of work to include fiber maintenance for these state owned enterprises on over 1,000 km of fiber network cables and also certain additional installation and civil work for these projects.

We believe that we will continue to enlarge the scope of maintenance services in Myanmar and also diversify into fiber and system integration projects in the coming 3 to 5 years.

3.3.4. Cash Flow Forecast

Our management analyses the telecommunication industry is a fast-growing and fast-developing industry. In particular, mobile phone penetration has increased from 0% to 92% between 2000 and 2016 in Myanmar. Mobile telephone penetration rate in the neighbouring countries (Thailand, Vietnam, and Cambodia) are well above the rate of Myanmar as observed in the “ISSUER INFORMATION - COMPETITION” section. It indicates that the telecommunication industry in Myanmar still has a huge potential for further sustainable growth. The growing availability of mobile telephone such as smartphone is increasing opportunities for the Company to improve its cash flow. Our management is hoping to achieve positive growth of cash flow, as a benchmark, in line with the Myanmar’s Gross Domestic Product (GDP) growth ratio.

PART IV. INFORMATION ON THE ISSUER'S MANAGEMENT, SHAREHOLDERS AND SHARES

4.1. BOARD OF DIRECTORS AND DIRECTORS

Our Board of Directors is entrusted with the responsibility for our overall management and direction. Our Board will as frequently as required review and monitor the Company's financial position and operations.

The following table set outs information regarding our Directors, all of whom are Myanmar citizens as of the Latest Practicable Date:

| No. | Name | Date of Birth / Gender / Nationality | Address | Date of Appointment | Share Ownership |
|------------|----------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------|
| 1 | U Myint Lwin (Chairman) | 13.3.1943 Male Myanmar | No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon | 10 Sep 2007 | 1,500,000 |
| 2 | Daw Khin Hnin Lwin | 1.12.1950 Female Myanmar | No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon | 10 Sep 2007 | 1,500,000 |
| 3 | U Kyaw Swar Lwin | 25.10.1982 Male Myanmar | No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon | 3 Sep 2011 | 1,000,000 |
| 4 | U Thiha Lwin (Managing Director) | 26.12.1980 Male Myanmar | No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon | 10 Sep 2007 | 3,000,000 |
| 5 | Daw Ohmar Lwin | 18.2.1979 Female Myanmar | No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon | 11 Aug 2016 | 1,000,000 |
| 6 | Daw Nang Lai Yi Soe | 8.5.1988 Female Myanmar | No.18/A, Kow Min Kow Chin Street, Bahan Township, Yangon | 11 Aug 2016 | 1,000,000 |
| 7 | Daw Thu Zar | 16.11.1973 Female Myanmar | No.73, Mahar Myaing (2) / Pa (2), Between 61 & 62 Street, 41 st Street, Mahar Aung Myae Township, Mandalay | 11 Aug 2016 | 1,000,000 |
| 8 | U David Oliver Abel | 28.2.1935 Male Myanmar | No.499, Q/R, Moe Ma Ka Street, Bahan Township, Yangon | 25 June 2017 | - |
| 9 | U Aung Than | 9.7.1949 Male Myanmar | No.50, Bank street, Kyauktadar Township, Yangon. | 3 September 2016 | - |
| 10 | U Thein Zaw | 15.6.1956 Male Myanmar | No.49, Banyar Dala Road, Tamwe Township, Yangon. | 3 September 2016 | - |

We have also set out below the relevant department which each Director is in charge of.

| No. | Name | Department |
|-----|---------------------|-----------------------------------------------------------------------------|
| 1 | U Myint Lwin | N/A – U Myint Lwin is the Chairman of the Board |
| 2 | Daw Khin Hnin Lwin | NIL – participates in the decision making process of the Board of Directors |
| 3 | U Kyaw Swar Lwin | Marketing |
| 4 | U Thiha Lwin | N/A – U Thiha Lwin is the Managing Director |
| 5 | Daw Ohmar Lwin | NIL – participates in the decision making process of the Board of Directors |
| 6 | Daw Nang Lai Yi Soe | Department of Securities Affairs |
| 7 | Daw Thu Zar | Admin |
| 8 | U David Oliver Abel | Non-executive independent director |
| 9 | U Aung Than | Non-executive independent director |
| 10 | U Thein Zaw | Non-executive independent director |

None of the Directors has at any time during the last three years,

- (i) had an application or a petition under any bankruptcy laws filed against him / her or against a company of which he / she was then a director, managing director, managing agent;
- (ii) ever been convicted of any offence that is punishable with imprisonment or is the subject of any pending criminal proceedings for such purpose;
- (iii) ever been disqualified from acting as a director, managing director, manager or managing agent; or
- (iv) ever been concerned with the management or conduct of the affairs of any company that has been investigated for a breach of any Applicable Law or regulatory requirement.

4.2. MANAGING DIRECTORS, MANAGERS AND MANAGING AGENTS

Our Executive Officers are responsible for our day-to-day management and operations. The following table sets out information regarding our Executive Officers.

| No. | Name | Date of Birth / Gender / Nationality | Date of Appointment | Share Ownership |
|-----|-------------------------------------|--------------------------------------|---------------------|-----------------|
| 1. | U Thiha Lwin (Managing Director) | 26.12.1980 Male Myanmar | 10 Sep 2007 | 3,000,000 |
| 2. | Li Zhen Hua, Messi | 15.8.1983 Male China | 2 May 2016 | Nil |
| 3. | Daw Ohmar Hlaing | 17.6.1973 Female Myanmar | 1 June 2017 | 3,000 |

None of the Executive Officers has at any time during the last three years,

- (i) had an application or a petition under any bankruptcy laws filed against him / her or against a company of which he / she was then a director, managing director, managing agent;
- (ii) ever been convicted of any offence that is punishable with imprisonment or is the subject of any pending criminal proceedings for such purpose;
- (iii) ever been disqualified from acting as a director, managing director, manager or managing agent; or
- (iv) ever been concerned with the management or conduct of the affairs of any company that has been investigated for a breach of any Applicable Law or regulatory requirement.

4.3. MATERIAL BACKGROUND INFORMATION

U Myint Lwin

U Myint Lwin is Chairman of the Board and was appointed as a Director on 10 September 2007. As Chairman of the Board, U Myint Lwin organizes and manages issues relating to the future direction and strategy of the Company. He sets the timetable and agenda of board meetings. U Myint Lwin is also on the board of the following companies: Tah Moe Hnye Group Investment and Development Co., Ltd, Tah Moe Hnye Chan Thar Wood Based Industry Co., Ltd, Tah Moe Hnye Chan Thar Mining Co., Ltd, Tah Moe Hnye Chan Thar Nay Pyi Taw Hotel Co., Ltd and Chan Thar Gems Co., Ltd. U Myint Lwin is also the Chairman of Tah Moe Hnye Chan Thar Investment Group Limited and Myanmar Hurricane Investment and Technology Limited.

U Myint Lwin was officially appointed as the “Promoter for Investment, Trade and Tourism” by the Union of Myanmar from 1997 to 2003 to represent Myanmar and attract foreign investments from China, Hong Kong, Thailand, Singapore and Korea. U Myint Lwin had been instrumental in inviting China’s largest telecommunications companies such as ZTE and Huawei to invest in Myanmar.

Daw Khin Hnin Lwin

Daw Khin Hnin Lwin is a Director and was appointed on 10 September 2007. Daw Khin Hnin Lwin is also a director in Tah Moe Hnye Chan Thar Investment Co.,Ltd and the Chairman of Social Midwifery association, Tah Moe Hnye Region, Northern Shan State.

U Kyaw Swar Lwin

U Kyaw Swar Lwin is a Director and was appointed on 3 September 2011. U Kyaw Swar Lwin holds a Bachelor of Science in Business Management from Adam University at Denver, Colorado in 2009. He is also currently the Deputy Managing Director of Tah Moe Hnye Group Investment & Development Co., Ltd. (since 1 December 2008) and Managing Director of Myanmar Hurricane Investment & Telecom Co., Ltd (since 13 November 2014).

U Thiha Lwin

U Thiha Lwin is the Managing Director of the Board and was appointed as a Director on 10 September 2007. As Managing Director, U Thiha Lwin organizes and is in charge of the delegation of duties to the Directors and supervises the Chief Executive Officer in his running of the day to day business operations of the Company. U Thiha Lwin graduated from the English department of the Beijing Second Language College in 2003 and holds a Bachelor of Arts Degree in Business Management from Yangon University of Distance Education in 2011. U Thiha Lwin began his career with the Company and has been instrumental in the growth and strategic direction of the Company.

U Thiha Lwin is also the managing director in Tea Art Co.,Ltd., deputy managing director in Tah Moe Hnye Chan Thar Investment Co.,Ltd and a director in Myanmar Hurricane Investment and Technology Co.,Ltd.

Daw Ohmar Lwin

Daw Ohmar Lwin is a Director and was appointed on 11 August 2016. Daw Ohmar Lwin holds a Bachelor of Law (LL.B) from the Yangon University of Distance Education in 2010.

Daw Nang Lai Yi Soe

Daw Nang Lai Yi Soe is a Director and was appointed on 11 August 2016. Daw Nang Lai Yi Soe holds a Bachelor of Computer Technology Degree (B.C.Tech) from the University of Computer Studies, Mandalay in 2008. Thereafter, she was awarded the Certificate for Completion of the Pre-Master Course (Business Studies) from the Myanmar Imperial College in 2013 and went on to pursue a Master of Business Administration from the University of Northampton in November 2014 which she completed in 2016. In preparation for the Master of Business Administration course, she had attended and obtained the Pearson BTEC Level 7 Diploma in Strategic Management and Leadership and the Pearson BTEC Level 7 Extended Diploma in Strategic Management and Leadership at Myanmar Imperial College in September 2014. After obtaining her Master of Business Administration, Daw Nang Lai Yi Soe obtained a certificate on Corporate Finance Technical Foundations from the Chartered Institute for Securities & Investments in 2017. She is now currently being considered as a PhD candidate at the Trinity World University and pursuing diplomas in business law and corporate finance.

Her past working experience is as follows:

| | | |
|------------------------------|-------------------------------------------------|------------------------|
| December 2011 – June 2016 | Tah Moe Hnye' Chan Thar Tun Wai Thar Co.,Ltd | Deputy General Manager |
| January 2010 – November 2011 | Tah Moe Hnye' Chan Thar Tun Wai Thar Co.,Ltd | Head Of Department |
| May 2008 to December 2009 | Tah Moe Hnye' Chan Thar Tun Wai Thar Co.,Ltd | Engineer |

Daw Nang Lai Yi Soe is also currently a member of the Myanmar Women Entrepreneurs' Association and the managing director of Asia Myanmar Treasure Source Limited.

Daw Thu Zar

Daw Thu Zar is a Director and was appointed on 11 August 2016. Daw Thu Zar holds a degree from the Department of English Soochow University in Taiwan in 2001. Daw Thu Zar has over 10 years of working experience in company management administration. Daw Thu Zar is the managing director of Baima Engineering Technology Company and a director of Golden Trader Co., Ltd.

U David Oliver Abel

U David Oliver Abel is a Non-Executive Director and was appointed on 25 June 2017. U David Oliver Abel graduated from the Royal Military Academy with a PhD in development economics. He had served in various positions in the Myanmar government as a retired Brigadier General in the Myanmar Army and a former cabinet Minister with posts ranging from Minister of Trade, Finance & Revenue, Economic Planning and as Development Minister in the Chairman's Office, State Peace and Development Council.

Please also see below table which sets out U David Oliver Abel's various notable appointments in the course of his career in Myanmar.

| No. | Appointment |
|------------|-----------------------------------------------------------------------|
| 1. | Advisor to the Minister of Finance (1962 – 1964) |
| 2. | Chief Instructor Law and Administration Training School (1965 – 1970) |
| 3. | Executive Officer of the 88 Light Infantry Division (1970 -1976) |

| | |
|----|---------------------------------------------------------------------------------------|
| 4. | Assistant Quartermaster General (1976 – 1984) |
| 5. | Director General (Planning and Statistics of the Ministry of Livestock and Fisheries) |

U David Oliver Abel is also the founder of the Union of Myanmar Economic Holding, Advisory Counselor to the Wold Vision International (Myanmar) and Chairman of the ASK Consultant Group.

U Aung Than

U Aung Than is a Non-Executive Director and was appointed on 3 September 2016. U Aung Than holds a Bachelor of Commerce B.Com (AA) from the Yangon Institute of Economics in 1971 and a Diploma in Economic Planning (D.E.P) from the Yangon Institute of Economics in 1981. He served as the Assistant Budget Officer in the Budget Department of the Ministry of Planning and Finance from 1971 to 1982. He was registered as a registered lawyer in Myanmar in 1978 and thereafter admitted as an Advocate of the Supreme Court of Myanmar in 1984. U Aung Than is now also serving as a business consultant.

U Thein Zaw

U Thein Zaw is a Non-Executive Director and was appointed on 3 September 2016. U Thein Zaw holds a Bachelor of Economics (Statistics) from the Yangon Institute of Economics in 1979. Thereafter, he obtained a Diploma in Automatic Computing from the Yangon University in 1985 and a Diploma in Computer Data Systems from the U.S Department of Commerce, Bureau of the Census, International Statistical Programs Center in 1988.

U Thein Zaw was the Deputy Planning Officer in the Ministry of Planning and Finance from 1981 to 1992 and thereafter was a staff officer with the Internal Revenue Department from 1992 to 2016.

Li Zhen Hua, Messi

Li Zhen Hua, Messi is the Chief Executive Officer of TMH and he joined TMH in May 2016. As Chief Executive Officer, he is in charge of the day to day business operations of the Company and reports to the Board of Directors. He holds a Master of Communication and Information System from the Wuhan Research Institute of Posts and Telecommunications in 2009.

His past working experience is as follows:

| | | |
|---------------------------|----------------------------------------------|--------------------------|
| May 2014 – March 2016 | Huawei Technologies (Myanmar) Co.,Ltd | Marketing Director |
| January 2012 – April 2014 | Huawei Technologies (Myanmar) Co.,Ltd | Senior Solution Director |
| May 2011 – January 2012 | Huawei Technologies (Thailand) Co.,Ltd | Solution Manager |
| May 2009 – April 2011 | Fiberhome International Technologies Co.,Ltd | R&D Manager |

Daw Ohmar Hlaing

Daw Ohmar Hlaing is the Chief Financial Officer of TMH and she joined TMH in June 2017. She holds a Bachelor of Commerce degree (B.Com) from the Yangon Institute of Economics in 1997 and was certified as a Certified Public Accountant from the Myanmar Accountancy Council in 1999.

Her past working experience is as follows:

| | | |
|-----------------------------|-----------------------------------------------------------|--------------------------|
| November 1998 – July 2001 | Pinya Manufacturing Company Limited | Accountant |
| August 2001 – June 2006 | Pinya Manufacturing Company Limited | Assistant Finance Manger |
| July 2006 – September 2009 | Suntree Agriculture Produce Company Limited | Finance Manager |
| October 2009 – March 2010 | Blue Diamond Manufacturing & Distribution Company Limited | Chief Accountant |
| April 2010 – September 2016 | Blue Diamond Manufacturing & Distribution Company Limited | Finance Manager |

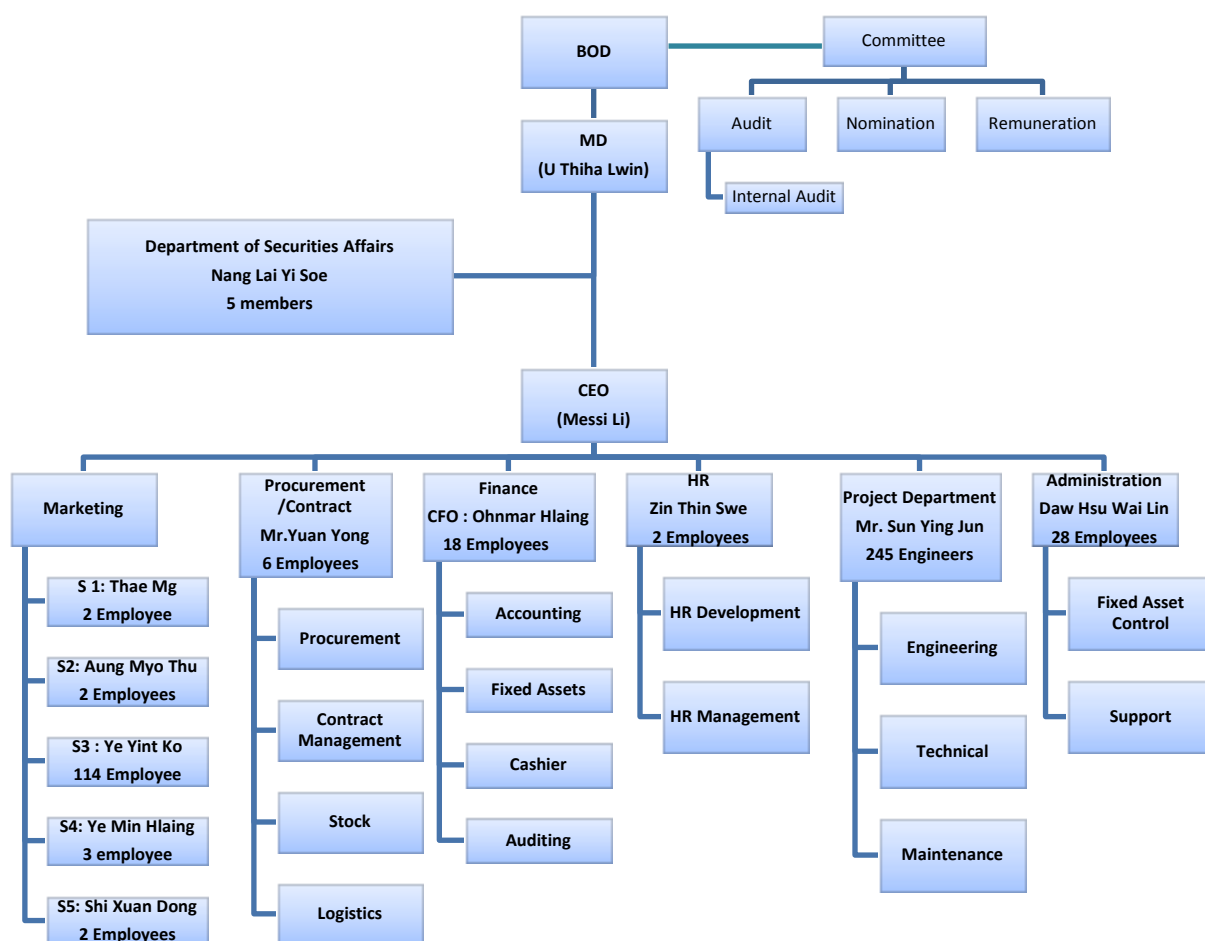
4.4. REMUNERATION AND BENEFITS IN KIND

The aggregate amount of remuneration and benefits in kind paid for each of the two most recent completed financial years, and estimated aggregate amount of remuneration and benefits in kind paid and to be paid for the whole of the current financial year to directors, managing directors, managers and managing agents of the Company is as following;

| Board of Directors | | | |
|----------------------------------------------------|--------------------|--------------------|------------------------------|
| | FY2015-2016 | FY2016-2017 | FY2017-2018 Estimated |
| Aggregate remuneration and benefits in kind | Ks. 28,800,000 | Ks. 52,800,000 | Ks. 67,200,000 |

| Executive Officers | | | |
|----------------------------------------------------|--------------------|--------------------|------------------------------|
| | FY2015-2016 | FY2016-2017 | FY2017-2018 Estimated |
| Aggregate remuneration and benefits in kind | N/A | Ks. 19,800,000 | Ks. 50,100,000 |

4.5. MANAGEMENT REPORTING STRUCTURE



| Department | Department Head | Number of Employees |
|-----------------------|-----------------------|---------------------|
| CEO | | 1 |
| Marketing | S1. U Thae Maung | 2 |
| | S2 : U Aung Myo Thu | 2 |
| | S3 : U YeYint Ko | 114 |
| | S4: U Ye Ming Hlaing | 3 |
| | S5: Mr. Shi Xuan Dong | 2 |
| Administration | Daw Hsu Wai Lin | 28 |
| Procurement& Contract | Mr. Yuanyong | 6 |
| Finance | Daw Ohnmar Hlaing | 18 |
| Human Resource | Daw Zin Thin Swe | 2 |
| Project and Engineer | Mr. Sun Yin Jun | 245 |
| Total | | 423 |

4.6. CORPORATE GOVERNANCE

Our Directors recognise the importance of corporate governance and the maintenance of high standards of accountability by adopting corporate governance practices which are generally consistent with prevailing international principles, to the extent reasonably practicable taking into account local conditions in Myanmar.

We have appointed 3 Non-Executive Directors as independent Directors with a view to introducing a strong and independent element on the Board. These independent directors are expected to be able to exercise objective judgment on corporate affairs independently, in particular, from management and major shareholders of our Company.

Although there is no legal definition of “independent director” as of the Latest Practicable Date in Myanmar, we expect the independent directors will introduce a strong and independent element on the Board. These independent directors are expected to be able to exercise objective judgment on corporate affairs independently, in particular, from management and major shareholders of our Company. The intention is for them to challenge and participate actively in the decision making process of the Board and to scrutinize the performance of management in meeting the objectives placed on them.

Our Board has established three (3) committees: (a) the Audit Committee; (b) the Nominating Committee; and (c) the Remuneration Committee.

Audit Committee

The Audit Committee comprises 4 members being:

| No. | Name | Position |
|------------|------------------|-----------------|
| 1 | U Thein Zaw | Chairman |
| 2 | U Aung Than | Member |
| 3 | U Thiha Lwin | Member |
| 4 | Daw Ohmar Hlaing | Secretary |

The Chairman of the Audit Committee is U Thein Zaw, who is an independent Director of the Company.

The Audit Committee will assist our Board in discharging its responsibility to safeguard the Company’s assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the management creates and maintains an effective control environment in our Company.

The Audit Committee will provide a channel of communication between the Board, management and the external auditors on matters relating to audit.

The Audit Committee shall meet periodically to perform the following functions:

- (i) review the audit plans of the external auditors and our internal auditors (if any), including the results of the review and evaluation of our system of internal controls by our external auditors and internal auditors (if any);
- (ii) review the annual financial statements and the external auditors’ report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with applicable financial reporting standards, concerns and issues arising

- from their audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before submission to our Company for approval;
- (iii) review the periodic financial statements comprising the profit and loss statements and the balance sheets and such other information required by law, before submission to our Company for approval;
 - (iv) review and discuss with external and internal auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Company's operating results or financial position and our management's response;
 - (v) review the co-operation given by our management to our external auditors;
 - (vi) consider the appointment and re-appointment of the external auditors;
 - (vii) review and approve interested person transactions pursuant to the IPT Procedures (described in greater detail in the "**Part V. Related Party Transactions**" section);
 - (viii) review any potential conflicts of interests;
 - (ix) review the procedures by which employees of our Company may, in confidence, report to the Chairman of the Audit Committee possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;
 - (x) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
 - (xi) undertake generally such other functions and duties as may be required by law.

Pursuant to the abovementioned duties relating to the Company's audit function, the Audit Committee has the authority to make decisions independently from the Board. In light of due review of the abovementioned functions, the committee assumes authority to access appropriateness and properness of the Company's financial and accounting records for approval by a General Meeting of Shareholders and the Board of Directors.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Myanmar law, rule or regulation which has or is likely to have a material impact on our Company's operating results and/or financial position. Each member of the Audit Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

The meetings of the Audit Committee are convened as and when deemed necessary by the Chairman of the Audit Committee. Resolutions of an Audit Committee meeting shall be decided by a majority of votes by adopting "One Member One Vote System". In case of an equality of votes, the Chairman shall vote a second or casting vote.

Nominating Committee

The Nominating Committee comprises 3 members being:

| No. | Name | Position |
|-----|---------------------|----------|
| 1 | U Thiha Lwin | Chairman |
| 2 | U Thein Zaw | Member |
| 3 | Daw Nang Lai Yi Soe | Member |

The Chairman of the Nominating Committee is U Thiha Lwin. Moving forward, the intention of the Board is that the Chairman of the Nominating Committee will be an independent Director.

The Nominating Committee is responsible for (a) re-nomination of our Directors having regard to a Director's contribution and performance, (b) determining annually whether or not a Director is independent, and (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Nominating Committee has the authority to make decisions independently from the Board on how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term Shareholders' value. The Board intends to implement a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee is required to abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or re-nomination as Director.

The Nominating Committee assumes the authority to make proposals relating to the nomination and re-nomination of members of the Board of Directors for approval at a General Meeting of Shareholders.

Resolutions of a Nominating Committee meeting shall be decided by a majority of votes by adopting "One Member One Vote System". In case of an equality of votes, the Chairman shall vote a second or casting vote.

Remuneration Committee

The Remuneration Committee comprises 3 members being:

| No. | Name | Position |
|-----|------------------|----------|
| 1 | U Aung Than | Chairman |
| 2 | U Kyaw Swar Lwin | Member |
| 3 | U Ohmar Lwin | Member |

The Chairman of the Remuneration Committee is U Aung Than, who is an independent Director of the Company.

The Remuneration Committee assumes the authority to make recommendations on the remuneration of the various members of the Board of Directors. Without the Remuneration Committee's recommendation, the Board is not empowered to vote on and/or approve the remuneration of any member of the Board of Directors.

The Remuneration Committee is responsible for recommending to our Board a framework of remuneration for our Directors and Executive Officers, and determining specific remuneration packages for each Director and Executive Officer. The recommendations of our Remuneration Committee are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be reviewed by our Remuneration Committee. Each member of the Remuneration Committee is required to abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the Remuneration Committee in respect of his remuneration package.

Resolutions of a Remuneration Committee meeting shall be decided by a majority of votes by adopting "One Member One Vote System". In case of an equality of votes, the Chairman shall vote a second or casting vote.

Internal Audit

The internal auditor is in charge of the internal control function of our Company and it reports directly to the Audit Committee. As set forth in our "Internal Audit Rules & Regulations", the internal auditor must

independently audit our Company according to his or her professional code of ethics. The internal auditor must report to the Directors and the Audit Committee on its findings with explanation and suggestion on a monthly basis.

Internal auditing should be done based on the varying level of risks. The internal auditor must identify the risks and thereafter to define the level of risks such as high, moderate and low. The internal auditors must give priority to cases which are of high risk.

4.7. SHAREHOLDERS

Our Company was incorporated on 21 August 2007 in Myanmar under the Companies Act as a private limited company under the name of Tah Moe Hnye Chan Thar Tun Wai Thar Co., Ltd.. On 12 January 2016, the Company changed its name to TMH Telecom Co. Ltd. and on 20 May 2016, converted to a public limited company under the Companies Act in the name of TMH Telecom Public Co. Ltd.. As the Company has already commenced business operations on 21 August 2007 as a private limited company and as clarified with the SECM and DICA, no certificate of commencement of business will be issued in the case of a private limited company which converted to a public limited company. The Company has renewed its Certificate of Incorporation on 21 August 2014 and this is valid until 20 August 2019. As at the Latest Practicable Date, our authorised share capital is Ks 500,000,000,000 divided into 500,000,000 Shares.

As at the Latest Practicable Date, the total issued and paid-up capital of our Company is Ks 12,559,800,000 (inclusive of share premium of Ks. 1,013,560,000) divided into 11,546,240 Shares.

Under the Offering, our Company will be offering for subscription by investors an aggregate of 544,537 Offering Shares. Myanmar Securities Exchange Centre has, in connection with the Offering, agreed to act as Sole Bookrunner, Sole Lead Manager and Underwriter and together with the Securities Company (if any) acting as Joint Underwriters, agreed to underwrite 544,537 Shares (which is 100% of the total amount of the Offering Shares) for an aggregate amount of 1,633,611,000 Kyats.

As of the Latest Practicable Date, we set out in the table below the top 10 Shareholders

| No. | Name | NRC Number, Nationality and Addresses | Number of Shares | Percentage of Outstanding Shares |
|------------|---------------------|------------------------------------------------------------------------|-------------------------|-----------------------------------------|
| 1 | U Thiha Lwin | 13/ Ka Kha Na (N) 022185 Myanmar Thingangyun Township, Yangon | 3,000,000 | 26.0% |
| 2 | U Myit Lwin | 13/Ka Kha Na (N) 010009 Myanmar Thingangyun Township, Yangon | 1,500,000 | 13.0% |
| 3 | Daw Khin Hnin Lwin | 13/ Ka Kha Na (N) 010010 Myanmar Thingangyun Township, Yangon | 1,500,000 | 13.0% |
| 4 | U Kyaw Swar Lwin | 13/ La Ya Na (N) 014012 Myanmar Thingangyun Township, Yangon | 1,000,000 | 8.66% |
| 5 | Daw Nang Lai Yi Soe | 13/ La Ya Na (N) 170992 Myanmar Bahan Township , Yangon | 1,000,000 | 8.66% |

| | | | | |
|----|----------------------------------|------------------------------------------------------------------------|-----------|-------|
| 6 | Daw Ohnmar Lwin | 13/ Ka Kha Na (N) 022183 Myanmar Thingangyun Township, Yangon | 1,000,000 | 8.66% |
| 7 | Daw Thu Zar | 13/ La Ya Na (N) 003676 Myanmar MaharAungMyay Township, Mandalay | 1,000,000 | 8.66% |
| 8 | Dr Nang Khin Than Soe | 13/ La Ya Na (N) 106309 Myanmar Lashio, Northern Shan State | 400,000 | 3.47% |
| 9 | Golden Trader Co., Ltd. | No 1691/ 2013-2014 Myanmar Kamayut Township, Yangon | 346,000 | 3.0% |
| 10 | TMH Power Resources Co., Ltd. | No-5803/ 2016-2017 Myanmar Thingangyun Township, Yangon. | 200,000 | 1.7% |

In addition, the Company only has one class of Shares, being ordinary Shares of Ks 1,000 each.

4.8. DIVIDENDS, DIVIDEND POLICY

Statements contained in this sub-section “**Dividends, Dividend Policy**” that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those which may be forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. See the section “**Part I. Public Offering Summary — Forward-looking statements**”.

Our Company was incorporated on 21 August 2007 in Myanmar under the Companies Act and in FY2016-2017, the Company had declared a dividend of 25 Kyats per share. As such, the total amount of dividend declared in FY2016-2017 is Ks. 276 million. No other dividends have been declared by the Company in the past three financial years.

Subject to the Companies Act, our Company may, from time to time with the approval of the Shareholders in general meeting, declare dividends to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by our Board. We can declare and pay dividends only out of profits of our Company. Our Directors may declare an interim dividend as appears to the Directors to be justified by the profits of the Company.

Our Board has the discretion to recommend the payment of dividends. The dividend policy of our Company is dictated by Company policy. The Company intends to pursue a dividend policy whereby dividends shall be paid or distributed to its Shareholders in amounts proportional to each Shareholder’s percentage ownership interest to the full amount of the profits of our Company which are available for distribution from time to time in accordance with and subject to the Applicable Laws (in particular, the Companies Act) but after making all necessary, reasonable and prudent cash provisions and reserves for:

- (i) Taxation;
- (ii) Any capital expenditures;
- (iii) Repayment of any borrowings of the Company;
- (iv) Fulfilment of the Company’s working capital requirements; and
- (v) Any other matter required for the fulfilment of the Company’s obligations.

Further, in considering the timing, manner and amount of dividend, if any, our Board intends to take into account various factors, including:

- (i) The level of cash, gearing, return on equity and retained earnings;
- (ii) Our Company's expected financial performance;
- (iii) Our Company's projected investment plans; and
- (iv) Restrictions on payment of dividends that may be imposed on our Company under our current or future financing arrangements.

We will pay cash dividends, if any, in Kyats.

Please see the section "**Part X. Taxation**" for information relating to taxes payable on dividends.

4.9. DESCRIPTION OF THE ISSUER'S SHARES

Set out below is a table on the number and amount of shares issued in the past two years.

| Date | Number of Shares Issued and Alloted | Consideration per Share in cash | Aggregate Number of Shares that was paid up / Amount of paid up capital contributed as of the date of issue and allotment |
|--------------------|--------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Initial (Founders) | 640,000 | Ks.1,000 | 640,000 shares / Ks. 640,000,000 |
| 11 August 2016 | 9,860,000 | Ks.1,000 | 9,080,000 shares / Ks. 9,080,000,000 |
| 27 January 2017 | 555,800 | Ks.1,500 | 9,337,800 shares / Ks. 9,337,800,000 |
| 29 March 2017 | 10,440 | Ks.2,500 | 9,347,800 shares / Ks. 9,347,800,000 |
| 23 June 2017 | 480,000 | Ks.2,500 | 11,546,240 shares / Ks. 11,546,240,000 |
| Total | 11,546,240 | | |

Note: The share issuances on 11 August 2016, 27 January 2017 and 29 March have only been partly paid up to an amount of Ks. 9,080,000,000, Ks. 257,800,000 and Ks. 10,000,000 respectively and Ks. 780,000,000, Ks. 575,900,000 and Ks. 16,100,000 respectively was outstanding as of the date of issuance and allotment. However, as of the Latest Practicable Date, all the 11,546,240 Shares of the Company are fully paid up.

Prior to the Offering, our Company will allocate 122,129 Shares of a total aggregate amount of up to Ks. 366,387,000 as a right issues to our existing Shareholders with the condition that the exercise price for each rights issue share is identical to the Offering Price. In accordance with the Companies Act, these new rights issue shares are to be offered first to our existing shareholders as a right issue. The existing Shareholders are allowed to subscribe for such number of rights issue shares pro rata to their existing shareholding in the Company. Thereafter, the unsubscribed rights issue shares will then be offered to the public.

Capital Structure

The share capital of our Company as on the Date of this Prospectus is as set forth below:

| | | Aggregate Value at Par Value |
|----------|----------------------------------------------------|------------------------------|
| A | AUTHORISED SHARE CAPITAL | |
| | | 500,000,000,000 |
| | | |
| B | ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL | |
| | 11,546,240 Shares of par value Ks. 1,000 each | 11,546,240,000 |
| | Share Premium (Kyats) | 1,013,560,000 |

The following statements are brief summaries of the rights and privileges of our Shareholders conferred by the laws of Myanmar and the Articles of Association. These statements summarise the material provisions of the Articles of Association but are qualified in entirety by reference to the Articles of Association.

Ordinary Shares

Our Company has one class of shares, namely, ordinary shares, which have identical rights in all respects and rank equally with one another.

Shareholders

Only persons who are registered in our register of members are recognized as our Shareholders. For the avoidance of doubt, a registered shareholder shall include any person who has acquired shares in the Company in accordance with the rules and regulations prescribed by a corresponding stock exchange on which shares of the Company are traded.

New Shares

Subject to any direction to the contrary, all such new shares shall first be offered to our existing Shareholders in proportion to their respective interests in our Company.

Transfer of Shares

Subject to the rules and regulations prescribed by the corresponding stock exchange on which the Shares of the Company are traded on, Shares in our Company may be transferred in any usual or common form which our Directors approve. However, our directors may suspend registration of transfers during the fourteen (14) days immediately preceding any ordinary annual general meeting.

General Meeting of Shareholders

The ordinary general meeting of our Shareholders shall be held within eighteen (18) months from the date of our Company's incorporation, and thereafter, at least once in every year, at such time and place as may be determined by our Company. Such general meeting may also be called by any two (2) Shareholders.

The Board of Directors may convene an extraordinary general meeting whenever it thinks fit and must do so if Shareholders representing not less than ten per cent. (10%) of the total voting rights of all Shareholders request in writing that such a meeting be held.

Unless otherwise required by law or by the Articles of Association, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring the affirmative vote of at least seventy-five (75%) of the votes cast at the meeting, is necessary for certain matters under the Companies Act, including voluntary winding up, amendments to the Memorandum and the Articles of Association, a change of the corporate name and a reduction in the share capital.

Our Company must give at least fourteen (14) days' notice in writing for every general meeting convened for the purpose of passing an ordinary resolution. Special resolutions generally require at least twenty-one (21) days' notice in writing. The notice must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

Our Shareholders are entitled to attend, speak and vote at any general meeting. Our Shareholders may exercise their voting rights in person or by proxy, and proxies need not be a Shareholder. The instrument appointing a proxy, and the power-of-attorney or other authority (if any) under which it is signed, must be deposited at our Company's registered office no less than seventy-two (72) hours before the time for holding the meeting at which the proxy shall vote.

Dividend

We may, by ordinary resolution of our Shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. Our Directors may also, from time to time, pay to our Shareholders such interim dividends as appear to them to be justified by the profits of our Company. In any event, we must pay all dividends out of our profits, and no dividend declared and payable shall bear interest against our Company.

Bonus Issues

The Board of Directors may, with approval of our Shareholders at a general meeting, capitalize any reserves and distribute the same as bonus shares credited as paid-up to our Shareholders in proportion to their shareholdings.

Directors

Directors are required to hold at least 700,000 Shares in the Company to qualify as a Director.

Takeovers

Myanmar does not have any laws or regulations that may delay, deter or prevent a future takeover or change in control of our Company as a public company.

Liquidation or Other Return of Capital

If our Company liquidates or in the event of any other return of capital, holders of Shares will be entitled to participate in any surplus assets in proportion to their Shareholdings, subject to any special rights attaching to any other class of shares.

Limitations on Rights to Hold or Vote on Shares

Under current laws, only Myanmar nationals are allowed to hold or vote Shares in our Company.

SUMMARY OF OUR MEMORANDUM AND ARTICLES OF ASSOCIATION

Our Company is registered with the DICA under the Registration Number 368/2007-2008.

Memorandum of Association

Limited Liability

The liability of the members is limited.

Business Objectives of the Company

The objectives for which the Company is established are as follows.

- (1) To carry on the business of manufacturing, growing, milling and preserving etc. of the following commodities permitted by the Government, either solely on its own or in joint venture with any local or foreign partners.
 - (a) Manufacturing of vehicles, machineries and spares.
 - (b) Manufacturing of construction materials and paints.
 - (c) Manufacturing of factory utensils.
 - (d) Manufacturing of electrical and electronic goods.
- (2) To import machinery, spare parts, raw materials and others necessary for those activities mentioned above and to sell wholesale and retail finished and semi-finished products locally and abroad.
- (3) To borrow money for the benefit of the Company's business from any person, firm, company, bank or financial organisation in the manner that the company shall think fit.
- (4) Trading of Agricultural and farm produces.
- (5) Trading of Forest products and value-added wood-based products.
- (6) Trading of Animal by-products and Animal feed.
- (7) Trading of Marine products.
- (8) Trading of Fertilizer and insecticides.
- (9) Trading of Chemicals and dyes.
- (10) Trading of Factory utensils and raw material.
- (11) Trading of Household goods.
- (12) Trading of Personal goods.
- (13) Trading of Construction materials and paints.
- (14) Trading of Electrical and electronic products.
- (15) Trading of Vehicles, Machinery and spares.
- (16) Trading of Tools and implement.
- (17) Trading of Medicines and medical equipment.
- (18) Trading of Foodstuff and general merchandise.
- (19) Trading of Textile and garment.

- (20) Trading of Paper, stationery and photographic stores.
- (21) Trading of Office equipment and educational supplies.
- (22) All kinds of agency business, technical consultants, business consultants, management consultants and advisory services.
- (23) Advertising and its agency business.
- (24) Business of entertainment and related activities.
- (25) Business of all kinds of medical services.
- (26) Business of transportation (except railways and airways).
- (27) Business of printing and publishing.
- (28) Business of surveying and inspection.
- (29) Business of feasibility study on new projects, projects formulation, project appraisal and project evaluation.
- (30) Business of Account writing, Auditing and legal advisory services.
- (31) Business of servicing, maintenance of repairing of all kinds of vehicles and machines.
- (32) Business of installation, maintenance and renovation of electrical and electronic goods.
- (33) Growing, producing, harvesting, preserving, packing, milling and manufacturing of agricultural and farm products.
- (34) Felling, extracting (with the permission from the authorities concerned) milling, manufacturing, preserving and seasoning of timber (excluding-teak) and forest products.
- (35) Livestock breeding, processing and canning of livestock products.
- (36) Finishing, preserving, milling, canning and processing of marine products.
- (37) Producing fertilizers, insecticides and animal feeds.
- (38) Manufacturing of personal goods.
- (39) Manufacturing of household goods.
- (40) Manufacturing of vehicles, machineries and spares.
- (41) Manufacturing of arts and crafts, lacquerwares and furniture.
- (42) Manufacturing of construction materials and paints.
- (43) Manufacturing of factory utensils.
- (44) Manufacturing of electrical and electronic goods.
- (45) Manufacturing of textile, garments and clothing.
- (46) To carry on the business of exploration, exploitation, production, processing of minerals and marketing of its products with the permission of the Government.

- (47) Construction.
- (48) Gems.
- (49) Travels & Tours.
- (50) Hotel.
- (51) Business of all kinds of education services.
- (52) Manufacturing of Telecom equipments, and servicing for maintenance.
- (53) Business of construction and maintenance of Telecom Network.
- (54) To implement profit-making operation in any of construction, industrial, trading, manufacturing, jewellery and hotel & tourism industries if the company calculated such operation shall increase profitability.

Signatories to the Memorandum of Association

| No. | Name, Address and Occupation of Subscriber | Nationality and NRC No | Number of Share taken |
|-----|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------|
| 1. | U Myint Lwin No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon Merchant | Myanmar 13/KaKhaNa (Naing) 010009 | 500,000 |
| 2. | Daw Khin Hnin Lwin No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon Merchant | Myanmar 13/KaKhaNa (Naing) 010010 | 500,000 |
| 3. | U Kyaw Swar Lwin No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon Merchant | Myanmar 13/LaYaNa (Naing) 104012 | 500,000 |
| 4. | U Thiha Lwin No.38/39 Waizayanda Main Road, (Za) South Ward, Thingangyun Township, Yangon Merchant | Myanmar 13/KaKhaNa (Naing) 022185 | 500,000 |
| 5. | Daw Nang Lai Yi Soe No.18/A, Kow Min Kow Chin Street, Bahan Township, Yangon Merchant | Myanmar 13/LaYaNa (Naing) 170992 | 500,000 |
| 6. | Daw Thu Zar | Myanmar | 500,000 |

| | | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------|
| | No.73, Mahar Myaing (2) / Pa (2), Between 61 & 62 Street, 41 st Street, Mahar Aung Myae Township, Mandalay Merchant | 13/LaYaNa (Naing) 003676 | |
| 7. | Daw Ohmmar Lwin No.38/39, Eait Si Tan Housing, (Za) South Ward, Waizayanda Main Road, Thingangyun Township, Yangon Merchant | Myanmar 13/KaKhaNa (Naing) 022183 | 500,000 |

Articles of Association

Provisions relating to the appointment, qualification and removal of Directors

82. A person shall not be capable of being appointed as a Director by the Articles of Association unless he has proposed to be a Director and he has signed and file with the Registrar a consent in writing to act as such Director.
83. The position of Director or the organisation represented by him shall be vacated under the following conditions:
- (i) Fails to obtain within two months from the date of his appointment or at any time thereafter ceases to hold the share qualification, if any, necessary for his appointment; or
 - (ii) Is found to be of unsound mind by a Court of competent jurisdiction; or
 - (iii) Is adjudged an insolvent; or
 - (iv) Fails to pay calls made on him in respect of shares held by him within two months from the date of such calls being made; or
 - (v) Without the sanction of the Company in general meeting accepts or holds any office of profit under the Company other than that of managing director or manager or a legal or technical adviser or a banker; or
 - (vi) Absent himself from three consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board of Directors; or
 - (vii) Accepts the loan or guarantee from the Company; or
 - (viii) Is concerned or participated in the profits of any contract with the Contract; or
 - (ix) Is punished with imprisonment for a term exceeding six months;
 - (x) As per the provisions of Articles of Association Paragraph 76(2) sub-paragraph (1) and (2), a person, who is chosen to be represented as Director by any company or organisation formed under the permission of the current Law of the Republic of the Union of Myanmar, cased himself from the present position or the company he represents has moved away or resigned from the military veteran.

Provided, however, that no Director shall vacate his office by reason of his being member of any company, partner of any form or an individual which has entered into contracts with, or done any work for the Company with the consent of the Directors, the director must however declare his interest in such contracts or work, but shall not vote in respect of any such contract or work, and if does so vote, his vote shall not be counted.

84. At the first ordinary general meeting of the Company, the whole of the Directors shall retire from office, and at the ordinary general meeting in every subsequent year one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
85. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

86. A retiring Director shall be eligible for re-election.
87. The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.
88. If at any meeting at which an election of Directors ought to take place of vacating Directors are not filled up, the meeting shall, stand adjourned till the same day in the next week at the same time and place and, if at the adjourned meeting the places of the vacating Directors are not filled up, the vacating Directors or such of them as have not had their places, filled up shall be deemed to have been re-elected at the adjourned meeting.
89. Subject to the provisions of Section 83 (A) and 83 (B) of the Myanmar Companies Act, the Company may from time to time in general meeting increase or reduce the number of Directors, and may also determine in what rotation the increased or reduced number is to go out of office.
90. Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so chosen shall be subject to retirement at the same time as if he has become a Director on the day which the Director in whose place he is appointed was last elected a Director.
91. The Directors shall have power at any time, and from time to time, to appoint a person as an additional Director who shall retire from office at the next following Ordinary General Meeting, but shall be eligible for election by the Company at that Meeting as an additional Director.
92. The Company may by extraordinary resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was elected a Director.

Provisions relating to appointment of Chairman and Committees

96. The Directors shall elect a Chairman of their meetings according to the Directors who contribute qualified shares in the Public Company Limited and determine the period for which he is to hold office or it is not so chosen or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of the meeting. Chairman or acting Chairman shall be anyone from the Directors.
97. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Directors.

Provisions relating to the borrowing powers of the Directors

78. In present, Directors borrow for the Company or other means (other than issuing share capital) among the receiving money, the amount which is not clear shall not, at any time, more than issued share capital without the authority of the general meeting.

Provisions relating to the voting rights of the Shareholders

56. No business shall be transacted at any general meeting unless a quorum of member is present at the time when the meetings proceeds to business, save as herein otherwise provided, three persons at least holding or representing by proxy one third of the issued shares of the class personally present shall be a quorum.
65. On a show of hands every member present in person or by proxy shall have one vote. On a poll every member holding shares shall have one vote in respect of each share held by him.
66. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

67. A member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on show of hand or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
68. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
69. On a poll vote may be given either personally or by proxy, provided that no company shall vote by proxy as long as a resolution of its Directors in accordance with the provisions of Section 80 of the Myanmar Companies Act is in force.
70. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the common seal, or under the hand of an officer or attorney so authorised. No person other than representatives organisations authorised in accordance with Section 73 of the Articles shall act as a proxy unless he is a member of the Company.
71. The instrument appointing a proxy, and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the registered office of the Company not less than seventy two hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
72. An instrument appointing a proxy may be in the following form, or in any other form which the Directors shall approve:

Form of Instrument for voting by proxy

“..... **Company Limited**”

“I, of being a member of the above-named company, hereby appoint of as my proxy to vote for me and on my behalf at the (ordinary or extraordinary, as the case may be) general meeting of the Company to be held on the day of and at any adjournment thereof.”

Signed this day of

Provisions relating to the issuance, classification and usage of shares

6. (a) Subject to provision, if any, in that behalf of the Memorandum of Association of the Company, and without prejudice to any special rights previously conferred on the holders of the existing shares in the Company, any share in the Company may be issued with such preferred, deferred or other special rights, or such restriction, whether in regard to dividend, voting, return of share capital, or otherwise, as the Company may from time by special resolution, be issued on the terms that it is or at the option of the Company is liable to be redeemed.
- (b) When the company issue further shares, according to 105(c) of the Myanmar Company Act, sub-share shall be offered to the members in proportion to the existing shares by each member, if not accepted such offer may be transferred to other persons or public in such manner.
7. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of the class), may subject to the provisions of Section 66A of the Myanmar Company Act, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be three persons at least holding or representing by proxy one third of the issued shares of the class.

Provisions relating to share certificates

9. The Company shall issue a share certificate to every person whose name is entered in the register of members in respect of shares in certificated form, except where the law or the rules of the stock exchange on which the shares are listed prohibit the Company from issuing a share certificate. Subject to the forgoing:

- (i) The Company shall issue certificates within the time limit prescribed by the Myanmar Companies Act or, if earlier, within any time limit specified in the terms of the shares or under which they were issued.
- (ii) Where shares are held jointly by several persons, the Company is not required to issue more than one certificate in respect of those shares, and delivery of a certificate to one joint holder shall be sufficient delivery to them all.
- (iii) Each certificate must be in respect of one class of shares only. If a member holds more than one class of shares, separate certificates must be issued to that member in respect of each class.
- (iv) If a share certificate is damaged or defaced or alleged to have been lost, stolen or destroyed, the member shall be issued a new certificate representing the same shares if such member:
 - (a) first delivered the old certificate or certificates to the Company for cancellation; or
 - (b) complied with such conditions as to evidence and indemnity as the Directors may think fit; and
 - (c) paid such reasonable fee as the Directors may decide.

10. In the case of shares held jointly by several persons, any request pursuant to Article 9 (ii) may be made by any one of the joint holders.

In the event that the Company's shares are listed on a stock exchange and the law requires that shares listed on a stock exchange are to be held in uncertificated form:

- (i) physical share certificates issued by the Company will become invalid and all rights associated with the shares will then be managed electronically; and
- (ii) any share of the Company may only be issued or held on such terms, or in such a way, that:
 - (a) title to shares must not be evidenced by a certificate; and
 - (b) shares must be transferred without a certificate.

The Directors have power to take such steps as they think fit in relation to:

- (i) the evidencing of and transfer of title to uncertificated shares (including in connection with the issue of such shares); and
- (ii) any records relating to the holding of uncertificated shares.

If:

- (iii) the law or the Articles give the Directors power to take action, or require other persons to take action, in order to sell, transfer or otherwise dispose of shares; and
- (iv) uncertificated shares are subject to that power, but the power is expressed in terms which assume the use of a certificate or other written instrument, the Directors may take such action

as is necessary or expedient to achieve the same results when exercising that power in relation to uncertificated shares.

The Directors may take such action as they consider appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

Provisions relating to changes in capital

45. The Directors may, with the sanction of the Company in general meeting, by an extraordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution will prescribe.
46. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as early as the circumstances admit, to the amount of the existing share to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the share offered, the Directors may dispose of the same in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to share held by persons entitled to an offer of shares) cannot, in the opinion of the Directors, be conveniently offered under this article.

Provisions relating to transfer and transmission of shares in our Company

21. The instrument of transfer of any share of the Company shall be executed and signed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee in the register of members in respect thereof.
23. The Directors may decline to register any transfer of any share, whether or not it is a fully paid-up share, to a person of whom they do not approve, and may also decline to register any transfer of shares on which the Company has a lien. The Directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The Directors may decline to recognize any instrument of transfer unless:
- (a) **Paying Share Transfer Fee:** a fee not exceeding Ks. 30 is paid to the Company in respect thereof; and
 - (b) **Presenting instrument of transfer together with Certificate of Share:** the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidences as the Directors may reasonably require to show the right of the transferor to make the transfer.
 - (c) **Denial of Transfer:** If the Directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the company send to the transferee and the transferor notice of the refusal.
24. A registered shareholder shall be the only person recognised by the Company as having any title to the share. For the avoidance of doubt, a registered shareholder shall include any person who has acquired shares in the Company in accordance with the rules and regulations prescribed by a corresponding stock exchange on which shares of the Company are traded.

Provisions relating to dividends and reserve

101. The Company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the Directors.

102. The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.
103. No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits.
104. Subject to the rights of persons (if any) entitled to shares with special right as to dividends shall be declared and paid according to the amounts paid to the shares, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amount of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated of the purposes of this article as paid on the share.
105. The directors may, before recommending any dividends, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies or for equalising dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion either be employed in the business of the Company or be invested, in such investments (other than shares of the Company) as the Directors may from time to time think fit. The Directors may recommend, and the general meeting may approve the issue *pari passu* of “bonus”) shares out of such reserve to the members on the register at the date of the meeting.
106. If several persons are registered as joint-holders of any share, any one of them may give effectual receipts for any dividends payable on the share.
107. Notice of any dividends that may have been declared shall be given in manner hereinafter motioned to the persons entitled to share therein.
108. No dividend shall bear interest against the Company.
109. The Company may upon the recommendation of the Directors, by ordinary resolution resolve that it is desirable to capitalise any sum standing to the credit of any of the Company’s reserve accounts (including share premium account and any capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution, provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend, and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the members in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sums on their behalf, either in or towards paying up the amounts, if any for the time being unpaid on any shares held by such members respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, such shares or debentures to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid or partly in one way and partly in the other; provided that share premium account and a capital redemption reserve fund may only be applied hereunder in the paying up of unissued shares to be issued to members as fully paid.

Provisions relating to the right of Shareholders to inspect the books and other documents of the Company

111. The Directors shall cause to be kept proper books of account with respect to:
- (a) All sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
 - (b) All sales and purchases of goods by the Company;
 - (c) All assets and liabilities of the Company.
112. The book of account shall be kept at the registered office of the Company or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.
113. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.

PART V. RELATED PARTY TRANSACTIONS

5.1. MATERIAL TRANSACTIONS WITH RELATED PARTIES

As at the Latest Practicable Date, there is also no legal or regulatory framework in Myanmar directly governing transactions between a Myanmar public company or its subsidiaries and any person connected with a director or controlling shareholder.

Current Interested Person Transactions

| No. | Name | % shareholding in the Company | % shareholding in Baima Engineering Technology Company |
|------------|-------------|--------------------------------------|---------------------------------------------------------------|
| 1. | Daw Thu Zar | 8.66% | 50.00% |

Baima Engineering is a local Myanmar telecommunications company that is involved in the laying of optical fiber cable networks and construction of telecommunication towers in Myanmar.

Daw Thu Zar owns 50.0% of the issued and paid up share capital of Baima Engineering. Daw Thu Zar is the niece-in-law of U Myint Lwin.

To avoid conflicts of interest between Baima Engineering and TMH, Daw Thu Zar has agreed to abstain on voting on all board resolutions involving Baima Engineering and all business transactions with Baima Engineering are conducted on an arm's length basis.

As of the Date of this Prospectus, there are no loans between TMH and Baima.

As of the Date of this Prospectus, we have no outstanding loans to, and had no transactions with, our Directors, Executive Officers or corporate auditors. We regularly enter into transactions with our non-consolidated subsidiaries and affiliates. These transactions are conducted in the ordinary course of business and on an arm's-length basis.

During the year ended March 31, 2017, none of us, our Directors or Executive Officers were party to any transactions that are material or any transactions that are unusual in their nature or conditions, involving goods, services or tangible or intangible assets, and no such transactions were proposed as of March 31, 2017. In addition, during the year ended March 31, 2017, no loans were made to our Directors or Executive Officers.

As of the Date of this Prospectus, there are no transactions between (i) relatives of any of our major Shareholders and the Directors; (ii) TMH and GCI Science & Technology Co., Ltd.; (iii) TMH and the subsidiaries of GT Broadband (as GT Broadband has no subsidiaries) and (iv) TMH and any relatives of the directors of GT Broadband.

Please also see the section on “**Part III. Issuer Information – Description of Business – Properties, Plant and Equipment**” for further information.

IPT Procedures

Our Directors acknowledge the need for the interests of minority Shareholders to be safeguarded. In view of the foregoing, our Directors have voluntarily adopted the IPT Procedures with a view to ensuring that Interested Person Transactions are on normal commercial terms and are transacted on an arm's length basis on terms and

prices not more favourable to the Interested Persons than if they were transacted with a third party and are not prejudicial to the interests of our Company and our minority Shareholders. Our Directors may from time to time revise the IPT Procedures in such manner as may be considered appropriate by our Board.

Definitions

For the purpose of the IPT Procedures, unless the context otherwise requires:

“associate” means:

- (a) in relation to any Director, or controlling shareholder of our Company (being an individual):
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a controlling shareholder of our Company (being a company), any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

“associated company” means a company in which at least 20% but not more than 50% of its shares are held by our Company;

“control” means, in relation to a company, the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of that company;

“controlling shareholder” means a person who:

- (a) holds directly or indirectly 15% or more of the total issued and paid-up share capital of our Company, unless the Board reasonably determines that a person who satisfies this paragraph is not a controlling shareholder; or
- (b) in fact exercises control over our Company;

“Entity at Risk” means (a) our Company; (b) a subsidiary of our Company that is not listed on a stock or securities exchange recognised by our Board for this purpose; or (c) an associated company of our Company that is not listed on a stock or securities exchange recognised by our Board for this purpose, provided that our Company and its Interested Person(s), has control over the associated company;

“immediate family” means, in relation to a person, the person’s spouse, child, adopted child, step-child, sibling and parent;

“Interested Person” means: (a) a Director, the Managing Director or controlling shareholder of our Company; or (b) an associate of such Director, Managing Director or controlling shareholder;

“Interested Person Transaction” means a transaction between an Entity at Risk and an Interested Person; and

“transaction” includes, without limitation:

- (a) the provision or receipt of financial assistance;

- (b) the acquisition, disposal or leasing of assets;
- (c) the provision or receipt of services;
- (d) the issuance or subscription of securities;
- (e) the granting of or being granted options; and
- (f) the establishment of joint ventures or joint investments,

whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

General Procedures

The following procedures will be implemented by our Company in relation to Interested Person Transactions:

- (a) when purchasing any products or procuring any services from an Interested Person, two (2) additional quotations from non-Interested Persons will be obtained as a comparison to ensure that our Company's interests and minority Shareholders' interests are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) additional quotations from non-Interested Persons. Pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be considered in determining the most competitive price or fee;
- (b) when selling any products or supplying services to an Interested Person, the price or fee and terms of two (2) other successful transactions of a similar nature with non-Interested Persons will be used as comparison to ensure that the interests of our Company and minority Shareholders are not disadvantaged. The price or fee for the sale of products or the supply of services shall not be lower than the lowest price or fee of the two (2) other successful transactions with non-Interested Persons;
- (c) when renting properties from or to an Interested Person, appropriate steps will be taken to ensure that such rent is matched with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rates of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant inquiries; and
- (d) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products or services may be purchased only from an Interested Person, the Interested Person Transaction will be approved by our Chairman if he has no interest in the transaction, or failing which, our Audit Committee, in accordance with our usual business practices and policies. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account.

Review and Approval Procedures

- (a) All Interested Person Transactions entered into by our Company will be categorised in the following manner:
 - (i) Category 1: An Interested Person Transaction where the value thereof is equal or in excess of 3.0% of the latest audited net tangible asset of our Company.
 - (ii) Category 2: An Interested Person Transaction where the value thereof is below 3.0% of the latest audited net tangible asset of our Company but is equal to or in excess of Ks 100,000,000.
 - (iii) Category 3: An Interested Person Transaction where the value thereof is below Ks 100,000,000.
- (b) The relevant thresholds applicable in determining each category of Interested Person Transaction may be revised by our Board from time to time as may be considered appropriate by our Board.
- (c) Category 1 Interested Person Transactions must be approved by our Audit Committee prior to entry.
- (d) Category 2 Interested Person Transactions need not be approved by our Audit Committee prior to entry, but must be approved by our Chairman prior to entry and shall be reviewed on a quarterly basis by our Audit Committee.
- (e) Category 3 Interested Person Transactions need not be approved by our Audit Committee or Chairman prior to entry, but shall be reviewed on a quarterly basis by our Audit Committee.
- (f) Our Audit Committee will review all Interested Person Transactions, if any, on a quarterly basis to ensure that they are carried out on an arm's length basis. In accordance with the procedures outlined above, our Audit Committee will take into account all relevant non-quantitative factors.
- (g) We shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register recording all Interested Person Transactions. The basis for entry into the transactions, including the quotations and other evidence obtained to support such basis, shall also be recorded in the register.
- (h) The following will apply to the review and approval process for all categories of Interested Person Transactions:
 - (i) If our Chairman has an interest in the transaction or is a nominee for the time being of the relevant Interested Person, the review and approval process shall be undertaken by the Chairman of our Audit Committee or another member of our Audit Committee (who is not a nominee of the Interested Person and has no interest in the transaction) designated by the Chairman of our Audit Committee from time to time for such purpose.
 - (ii) If a member of our Audit Committee has an interest in a transaction or is a nominee for the time being of the relevant Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.

Disclosure

We will disclose in our annual report the aggregate value of Interested Person Transactions entered into during the financial year under review. The aggregate value of the Interested Person Transactions entered into with the same Interested Person (as determined reasonably by our Board) will also be disclosed.

5.2. OTHER CONFLICTS OF INTERESTS

Except in very limited circumstances specified under the Companies Act, there is no legal or regulatory framework in Myanmar dealing with potential conflict of interests or requiring disclosure of potential conflict of interests in the context of the Offering.

Save as disclosed above under the subsection above on “**Material Transactions with Related Parties**”, the Board is not currently aware of any potential conflict of interests.

PART VI. FINANCIAL INFORMATION

6.1. FINANCIAL STATEMENTS

Based on the due auditing process of our company, our management is in the opinion that our profits are properly recognized and stated in the Audited Financial Statements of FY2015-2016 and FY2016-2017. Our management is also in the opinion that our declared dividends in FY2016-2017 are paid in accordance with the relevant laws and regulations, based on a due discussion with our external auditor.

6.2. AUDITOR'S REPORT

The Audited Financial Statements of FY2015-2016 and FY2016-2017 are as set out below along with the relevant auditor's report for the respective financial year.

6.3. LEGAL PROCEEDINGS

We are not engaged in any legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have, or have had in the 12 months immediately preceding the date of the Prospectus, significant effect on the issuer's financial position or profitability. This includes governmental proceedings pending or known to be contemplated.

6.4. SUBSEQUENT EVENTS

As of the Latest Practicable Date, the Directors are not aware of any significant or material changes to the financial position of the Company since the date of the last annual financial statement and/or the most recent interim financial statement included herein in this Prospectus.

TMH Telecom Company Limited

Financial Statements

March, 2017.

Currency – Myanmar kyats

TMH Telecom Company Limited

Statement of Management's Responsibility

Statement of Auditor's Report

Financial Statements As at and for the year ended 31st March 2017

Statement of Financial Position

Statement of Profit or Loss and Other Comprehensive Income

Statement of Changes In Equity

Statement of Cash Flows

Notes to the Financial Statements

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR COMPANY LIMITED**

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the financial position of TMH TelecomCo., Ltd (the Company) as of March 31, 2017, and the statements of comprehensive income, changes in equity and cash flows for the period from April 1, 2016 to March 31, 2017, and a summary of significant accounting policies and other explanatory notes. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management



Thiha Lwin
Managing Director
TMH Telecom Public Co., Ltd.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TMH TELECOM COMPANY LIMITED

We have audited the financial statements of TMH TELECOM Co., Ltd, which comprise the Statement of financial position as at 31st March 2017, and the Statement of Profit or Loss, Statement of Changes in Equity and Cash Flow Statement for the year ended, and summary of significant accounting policies and other explanatory notes.

Management's Responsibilities for the Financial Statement

Management is responsibilities for the preparation and fair presentation of these financial statements in accordance with the Myanmar Financial Reporting Standards (MFRS). This responsibilities include; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on theses financial statements based on our audit. We conducted our audit is in accordance with Myanmar Standard on Auditing. Those standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are inappropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We are also required to report, in accordance with Section 145 (1) and (2) of the Myanmar Companies Act, to the members of the Company, on the account examined by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 1) The financial statements give a true and fair view of the financial position of TMH TELECOM Co., Ltd as of 31st March 2017, and of its financial performance and its cash flow for the year then ended in accordance with MFRS.
- 2) We have obtained all the information and explanations we have required and
- 3) Books of account have been maintained by the Company as required by Section 130 of the Myanmar Companies Act.



U Sein Win

Certified Public Accountant

Date : 2017

U Sein Win

Certified Public Accountant

C.P.A Registration No. 495

TMH Telecom Co.,Ltd

Statement of Financial Position As At 31st March 2017

Currency - Myanmar Kyat

| | | 2016 Kyats | 2017 Kyats |
|---------------------------------------|--------------|-----------------------|------------------------|
| Assets | Notes | | |
| Non-current assets | | | |
| Property, Plant & Equipment | 3 | 304,235,540 | 430,863,286 |
| Investment Properties | 4 | 2,392,426,452 | 2,346,242,252 |
| Total non-current assets | | 2,696,661,992 | 2,777,105,538 |
| Current Assets | | | |
| Bank Guarantee Deposit | 5 | 530,715,078 | 49,372,016 |
| Cash & Cash Equivalent | 6 | 1,275,867,455 | 1,911,145,452 |
| Trade & Receivable | 7 | 9,484,990,820 | 7,362,545,541 |
| Inventory | | 1,675,511,680 | 1,739,221,424 |
| Tender Deposit | | | 72,995,000 |
| Prepaid Expenses | 9 | 1,879,971,140 | 3,462,865,870 |
| Prepaid Income and commercial Tax | | 55,609,228 | 169,592,244 |
| Deferred Expenses – Project | | | 36,737,478 |
| Total current assets | | 14,902,665,401 | 14,804,475,025 |
| Total Assets | | 17,599,327,393 | 17,581,580,565 |
| Equity & Liabilities | | | |
| Authorized share capital | | 10,000,000,000 | 500,000,000,000 |
| Share Capital | | 640,000,000 | 9,347,800,000 |
| Share Premium | | | 143,900,000 |
| Retained Earning | | 7,947,634,624 | 1,064,753,463 |
| Net Profit for the year | | 1,056,518,839 | 1,378,490,051 |
| Total Equity | | 9,644,153,463 | 11,934,943,514 |
| Non-current Liabilities | | | |
| Long-Term Loan | | 1,000,000,000 | 1,000,000,000 |
| Total non-current liabilities | | 1,000,000,000 | 1,000,000,000 |
| Current liabilities | | | |
| Trade & other Payable | 8 | 6,049,185,429 | 3,713,836,244 |
| Deferred Income | | 98,849,452 | |
| Provision for Penalty Charges | | 4,700,000 | |
| Provision for income tax | | 352,172,946 | 459,496,684 |
| Payable - Commercial Tax | | 450,266,103 | 473,304,123 |
| Total current Liabilities | | 6,955,173,930 | 4,646,637,051 |
| Total Equity & Liabilities | | 17,599,327,393 | 17,581,580,565 |

The notes on Page 4 - 11 are an integral part of the Financial Statements

Authenticated by Directors



Thiha Lwin
Managing Director
TMH Telecom Public Co., Ltd.

TMH Telecom Co.,Ltd
Statement of Profit or Loss and other Comprehensive Income
for the year ended 31st March 2017

Currency - Myanmar Kyat

| | | <u>2016</u> | <u>2017</u> |
|-----------------------------------|-------|----------------------|----------------------|
| | Notes | | |
| Revenue | 11 | 12,305,607,987 | 9,466,082,453 |
| Costs of Goods Sold | 13 | (5,847,343,636) | (6,092,569,860) |
| Gross Profit | | 6,458,264,351 | 3,373,512,593 |
| Other Income | 10 | 113,821,399 | 913,009,022 |
| Expenses | | | |
| Selling & Distribution costs | | (3,314,106,260) | (109,547,646) |
| Administration expenses | 12 | (1,849,287,705) | (2,098,987,235) |
| Finance Cost | | | (240,000,000) |
| Profit before Tax | | 1,408,691,785 | 1,837,986,735 |
| Income tax expenses | | 352,172,946 | 459,496,684 |
| Net Profit after tax | | 1,056,518,839 | 1,378,490,051 |
| Other Comprehensive Income | | - | |
| Total Comprehensive Income | | 1,056,518,839 | 1,378,490,051 |

The notes on Page 4 -11 are an integral part of the Financial Statements

Authenticated by Directors


Thiha Lwin
Managing Director
TMH Telecom Public Co., Ltd.

TMH Telecom Co.,Ltd
Statement of Changes in Equity
for the year ended 31st March 2017

| | <u>Share Capital</u> | | <u>Share Premium</u> | <u>Retained Earning</u> | <u>Total</u> |
|----------------------------------|-------------------------|--------------------|----------------------|-------------------------|----------------------|
| | No of rdinary shares | Kyats | | Kyats | Kyats |
| <u>2017</u> | | | | | |
| Beginning of financial year | 640,000 | 640,000,000 | | 9,004,153,463 | 9,644,153,463 |
| Prior year adjustment | | | | 600,000 | 600,000 |
| Issue Share | 767,800 | 767,800,000 | 143,900,000 | | 911,700,000 |
| Bonus Share | 7,940,000 | 7,940,000,000 | | (7,940,000,000) | |
| Net Profit / (Loss)for the year | | | | 1,378,490,051 | 1,378,490,051 |
| End of financial year | 9,347,800 | 9,347,800,000 | 143,900,000 | 2,443,243,514 | 11,934,943,514 |
| <u>2016</u> | | | | | |
| Beginning of financial year | 640,000 | 640,000,000 | | 7,947,634,624 | 8,587,634,624 |
| Prior year adjustment | | | | | |
| Restated profit | 640,000 | 640,000,000 | | 7,947,634,624 | 8,587,634,624 |
| Net Profit / (Loss) for the year | | | | 1,056,518,839 | 1,056,518,839 |
| End of financial year | 640,000 | 640,000,000 | | 9,004,153,463 | 9,644,153,463 |

The notes on Page 4 -11 are an integral part of the Financial Statements

Authenticated by Directors

Statement of Cash Flow for the year ended 31st March 2017

| | 2,017 | 2016 |
|--------------------------------------------------------|----------------------|----------------------|
| | Kyats | Kyats |
| Cash Flow from Operating activities | | |
| Profit / (Loss) before Tax | 1,837,986,735 | 1,408,691,785 |
| Adjustments for; | | |
| Prior year adjustment | 600,000 | |
| Depreciation for the year | 40,968,600 | 34,560,700 |
| Interest income | (32,612,965) | |
| Dividend Received | (1,350,000) | |
| Tax paid | (459,496,683) | |
| Interest Paid | 120,000,000 | |
| Operating profit before working capital changes | 1,506,095,687 | 1,443,252,485 |
| Inventories | (63,709,744) | (198,210) |
| Trade & Receivable | 2,122,445,278 | (6,228,557,822) |
| Prepaid Expenses | (1,211,284,147) | (213919487) |
| Deferred Income | (98,849,452) | 98,849,452 |
| Trade & other payable | (2,355,349,185) | 6,049,185,428 |
| Provision | (4,700,000) | 4,700,000 |
| Cash Flow from Operating | (105,351,562) | 1,153,311,847 |
| Interest Paid | (100,000,000) | |
| Prepaid Income tax | (51,857,201) | (55,609,228) |
| Prepaid - Commercial Tax | (62,125,815) | |

| | | |
|----------------------------------------------------------|----------------------|------------------------|
| Provision - Income Tax | 107,323,738 | |
| Provision for Commercial Tax | 23,038,020 | 450,266,103 |
| Net cash used in operating activities | (188,972,820) | 1,547,968,722 |
| Cash Flow from investing activities | | |
| Purchase of Property, plant & equipment | (167,596,346) | (95,846,490) |
| Other Investment | 46,184,200 | (1,095,508,452) |
| Interest income | 32,612,965 | |
| Dividend Received | 1,350,000 | |
| Net cash used in investing activities | (87,449,182) | (1,191,354,942) |
| Cash Flow from Financing activities | | |
| Issued Shares | 767,800,000 | |
| Share Premium | 143,900,000 | |
| Net cash used in financing activities | 911,700,000 | |
| Net Increase / (decrease) in cash & cash equipment | 635,277,998 | 356,613,780 |
| Cash & Cash equivalent at the beginning of the year | 1,275,867,454 | 919,253,674 |
| Cash & Cash equivalent at the end of the year | 1,911,145,452 | 1,275,867,454 |

TMH Telecom Company Limited

Notes to the Financial Statements

Currency – Myanmar Kyat

1. General Information

TMH Telecom Company Limited was incorporated as a private company in the Union of Myanmar under the Myanmar Companies Act on August 21, 2007.

The registered office of the company is No.(18/A), Koh Min Koh Chin Road, Bahan Township, Yangon Division.

The validity of Certificate of Incorporation issued to the company is five year expiring on July 29, 2019.

The Financial Statements are expressed in Myanmar Kyat and relate to the year from 1, April 2016 to 31, March 2017.

The name of Company was changed from Tah Moe Hnye Chan TharTun Wai Thar Company Limited to TMH Telecom Company Limited, dated on 12.1.2016.

The TMH Telecom Company Limited has been transformed from private company limited to public company limited, dated on 25.5.2016.

The principle business activities of the company are

- Production of Top Up Cards
- Distribution of mobile sim cards and prepaid Top Up cards
- Auto Telecom Exchange Installation & Maintenance Services
- BTS Tower Construction & Maintenance Services
- Site Acquisition & Technical Installation Services
- Fiber Cable Construction & Maintenance Services
- Power System Installation & Maintenance Services
- Telecom Equipment Installation & Maintenance Services
- Wiring & Cabling Services

2. Preparation of Accounting Policies

A. Basis of Preparation

The financial statements have been prepared in accordance with Myanmar Accounting Standards (MAS) under the historical cost convention.

B. Foreign Currency Translation

(1) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Myanmar Kyat, which is the functional and presentation currency of the Company.

(2) Transactions and balance

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

C. Use of estimates and judgments

The preparation of the financial statements in uniformity with MFRS requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual result may differ from these estimates. Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

D. Revenue Recognition

- The company was received prepaid card profit at 6% of MPT prepaid cards sold.
- Printing incomes are recognized when the printing income is certain to be received.
- Project incomes are recognized when the company satisfies the performance obligation by transferring control of a promised goods or services to the customers.

E. Inventories

Inventories are carried at the lower of cost and net realizable value (NRV). Cost is determined on a **First In First Out** basis.

F. Property , Plant & Equipment

Property, plant & equipment are recognized at cost less accumulated depreciation or accumulated amortization.

Depreciation is calculated using the straight line method over the estimated useful lives of these assets. The depreciation rates of these assets are as follows,

| | |
|-------------------------|-----|
| Factory building | 10% |
| Machinery & Accessories | 10% |
| Motor Vehicles | 10% |
| Office equipment | 10% |
| Furniture & Fixture | 10% |
| Computer & Printer | 20% |
| Electrical Equipment | 20% |

G. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits in various local banks.

H. Ordinary Shares

Only Ordinary Shares are classified as equity. Costs directly attributable to the issuance of new ordinary shares are recognized in profit or loss in the year of issuance of new ordinary shares.

I. Provisions

Provisions are recognized when the company has a present legal or contractive obligation as result of past events.

J. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company to the end of financial year which are unpaid. They are classified as current

liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

K. Other Investment

These Financial instruments are measured at fair value through other comprehensive income and are valued at fair value including directly attributable transaction costs. Changes in fair value are recognized in equity and dividends receivable from equity assets are recognized in the income statement.

L. Deferred Income

Deferred Incomes are recognized when the cash receipt for after sale services. When services are satisfied or period is expired, deferred incomes are recognized as service income.

M. Income Tax

All tax expenses are current taxes and recognized in the income statement. Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date.

3. Property, Plant & Equipment

| | Land | Factory Building | Machinery & Accessories | Motor Vehicles | Office Equipment | Furniture & Fixture | Computer & Printer | Electrical Equipment | Tools & Project Access | Total |
|----------------------------------------|-------------------|---------------------|----------------------------|--------------------|---------------------|------------------------|-----------------------|-------------------------|------------------------------|--------------------|
| <u>Cost</u> | | | | | | | | | | |
| Balance at 1 April 2016 | 63,000,000 | 18,000,000 | 161,155,750 | 131,985,000 | 1,268,200 | 3,108,000 | 9,833,590 | 5,211,700 | | 393,562,240 |
| Addition | - | - | - | 70,620,000 | 3,765,800 | 42,454,500 | 33,406,996 | 1,992,850 | 15,356,200 | 167,596,346 |
| Balance at 31 March 2017 | 63,000,000 | 18,000,000 | 161,155,750 | 202,605,000 | 5,034,000 | 45,562,500 | 43,240,586 | 7,204,550 | 15,356,200 | 561,158,586 |
| <u>Accumulated Depreciation</u> | | | | | | | | | | |
| Balance at 1 April 2016 | - | 7,200,000 | 54,515,600 | 22,048,500 | 629,000 | 734,300 | 1,966,700 | 2,232,600 | | 89,326,700 |
| Addition | - | 1,800,000 | 16,115,600 | 14,590,500 | 282,341 | 2,684,225 | 5,015,308 | 480,625 | | 40,968,600 |
| Balance at 31 March 2017 | - | 9,000,000 | 70,631,200 | 36,639,000 | 911,341 | 3,418,525 | 6,982,008 | 2,713,225 | | 130,295,300 |
| Net Book Value at 31 March 2017 | 63,000,000 | 9,000,000 | 90,524,550 | 165,966,000 | 4,122,659 | 42,143,975 | 36,258,578 | 4,491,325 | 15,356,200 | 430,863,286 |

4. Investment Properties

Kyat

| | |
|------------------------|----------------------|
| Myanmar GT Broadband | 544,800,000 |
| Tower Project | 663,920,008 |
| CCTV Project | 283,836,367 |
| Fiber Project | 581,954,377 |
| FMI Share | 171,731,500 |
| Mineral & jewelry Bank | 100,000,000 |
| | <hr/> |
| | 2,346,242,252 |
| | <hr/> <hr/> |

5. Bank Guarantee Deposit

Kyat

| | |
|-----------------------------------------------------------------|-------------------|
| Auto Telephone | 11,000,000 |
| MEC bank Guarantee , Innwa Bank | 8,184,000 |
| Mobile network Maintenance (Bank Guarantee Charges) | 27,233,416 |
| Solar (3) set , bank Guarantee & Service charges | 2,876,600 |
| Deposit money for Acsys Access Control system to Edotco Myanmar | 78,000 |
| | <hr/> |
| | 49,372,016 |
| | <hr/> <hr/> |

| <u>6.) Cash & Cash Equivalent</u> | <u>Kyats</u> | <u>\$</u> | <u>Rate</u> | <u>Amt</u> | <u>Exchange Gain/ Loss</u> |
|---------------------------------------|----------------------|--------------|-------------|------------|----------------------------|
| AYA Current A/C (1275) | 6,875 | | | | |
| AYA Current A/C (1493) | 1,413 | | | | |
| AYA Dollar Current A/C - 277 931 | 359,900 | \$ 168.81 | 1,362 | 229,919 | (129,981) |
| AYA New Current 7248 (Sec:3) | 103,433,275 | | | | |
| AYA New Special Saving (3358) | 1,139,406,978 | | | | |
| Cash In Hand (Ks) - HO | 190,818,800 | | | | |
| Cash In Hand (Ks) - Sec:3 | 9,836,100 | | | | |
| Cash In Transist | 6,000,000 | | | | |
| CB Current A/C (0833) | 9,875 | | | | |
| CB Bank A/C (\$) | 5,920,925 | \$ 188.00 | 1,362 | 256,056 | (5,664,869) |
| CB Bank A/C (4286) (Share A/C) | 114,016 | | | | |
| CB Bank A/C (6218) (Sec:3) | 4,517,953 | | | | |
| CB Bank A/C No.6234 | 23,481,722 | | | | |
| KBZ Current A/C (4301) | 14,862,795 | | | | |
| KBZ Current A/C (5001) | 8,197,163 | | | | |
| KBZ Current A/c (5002) (Sec:3) | 326,985,881 | | | | |
| KBZ Dollar A/C | 116,934 | \$ 151.48 | 1,362 | 206,316 | 89,382 |
| KBZ Saving A/C (8001) | 3,003,973 | | | | |
| MFTB Bank A/C (\$) | 30,122,191 | \$ 24,899.97 | 1,362 | 33,913,759 | 3,791,568 |
| MICB Bank A/C (\$) | (58,981) | \$ 348.53 | 1,362 | 474,698 | 533,679 |
| TWD Dollar Current A/C | 1,637,263 | \$ 1,374.00 | 1,362 | 1,871,388 | 234,125 |
| Lashio Branch | 10,462,531 | | | | |
| Mandalay Branch | 657,850 | | | | |
| Monywa Branch | 417,845 | | | | |
| Myitkyinar Branch | 477,596 | | | | |
| Nay Pyi Taw Branch | 29,423,630 | | | | |
| Pyay Branch | 1,637,045 | | | | |
| Taunggyi Branch | 440,000 | | | | |
| | <u>1,912,291,547</u> | | | | <u>(1,146,095)</u> |

7.) Receivable From Project

| | FY(2015~16) | |
|-----------------------------------------------|-----------------------------|-------------------------|
| | <u>Kyats</u> | <u>USD (\$)</u> |
| MEC colocation 43 sites + other | 323,963,027 | |
| MEC Colocation (CME work) 31 sites /3rd Batch | 93,491,654 | |
| Ooredoo --- Fiber Project | 919,878,230 | 1,468,530 |
| DWDM (ZTE) | | 244 |
| KDDI (ZTE) | | 53,636 |
| Variation Order Complete Kyaokme BTS | | 26,095 |
| FY (2015~16) Total Receivable | <u>1,337,332,911</u> | <u>1,548,506</u> |

| | <u>Kyats</u> |
|-------------------------------------------------------------------------|-----------------------------|
| Repair and Maintenance Services for mobile Stations (April , May, June) | 264,013,333 |
| Repair and Maintenance Services for mobile Stations (July , Aug) | 264,013,333 |
| Power Meter Appliment & Installation - 9 Site | 43,717,800 |
| MEC Site Name (Kyay Sin Taung)35 m Tower | 37,181,136 |
| New MEC Colocation 2 sites -CME Work(High Way Site) | 10,000,000 |
| Generator House Installation (Myeikhtila & Pakokku BSC) | 6,600,000 |
| Materials for SOLAR SYSTEM (Power)/MEC/TMHTWT/Solar-01/2016 (50%) | 88,303,400 |
| MEC maintenance / LSP (95 Site)(July & August) | 198,049,266 |
| Tarlay ~ Kenglat ____ July 2016 ~ June 2017 | 9,075,000 |
| Bago West (9 Site) For MEC Maintenance ____ Sep 2016 ~ May 2017 | 23,760,000 |
| NPT (21- Site) For MEC Maintenance____ Oct 2016 ~ May 2017 | 34,650,000 |
| (YGN/NPT/Shan- North/MDY)- 61 Site ____ Sep 2016 ~ March 2017 | 163,400,241 |
| Mobile Radio Station | 40,920,000 |
| Mobile Radio Station (NPT) ____ Sep 2016 ~ August 2017 | 321,092,500 |
| Mobile Radio Station (Shan Noth) ____ Sep 2016 ~ August 2017 | 734,393,333 |
| Mobile Radio Station (Bago-West) ____ Sep 2016 ~ August 2017 | 287,166,250 |
| 2 Million Expansion Project (160 - Site) ____ Sep 2016 ~ August 2017 | 94,400,000 |
| Fiber maintenance (Pyay - Hnthda - Kyaung Kone) | 46,602,000 |
| MSAN (4020000364) | 18,305,863 |
| ZTE Co. (Maintenance 135 Site) | 67,550,800 |
| FY (2016~17) Total Receivable | <u>2,753,194,256</u> |

| | | |
|----------------------------------------------------|-----------------------------|---------------------|
| Receivable From Project | 4,090,527,167 | \$ 1,548,506 |
| Receivable From MPT (Meter & Fuel Bill) | 272,931,288 | |
| Receivable From Customer - Sec:3 | 1,152,490,242 | |
| Trade & Receivable | <u>7,362,545,541</u> | |

8)Trade & Other Payable

| | Kyats |
|-------------------------------------------------------------------------|-----------------------------|
| Repair and Maintenance Services for mobile Stations (April , May, June) | 184,252,900 |
| Repair and Maintenance Services for mobile Stations (July , Aug) | 132,006,638 |
| MEC maintenance / LSP (95 Site)(July & August) (YGN/NPT/ Shan/Mdy) | 9,937,839 |
| Bago West (9 Site) For MEC Maintenance | 3,564,000 |
| NPT (21- Site) For MEC Maintenance | 5,197,500 |
| (YGN/NPT/Shan- North/MDY)- 61 Site | 24,510,036 |
| Mobile Radio Station (Mon/AYA/Shan North) -19 Site | 6,138,000 |
| Mobile Radio Station (NPT) | 48,163,875 |
| Mobile Radio Station (Shan Noth) | 110,159,000 |
| Mobile Radio Station (Bago-West) | 43,074,938 |
| 2 Million Expansion Project (160 - Site) | 14,160,000 |
| Payable to 7% (YGN-02-047/ YGN-02-393 /YGN-03-450) | 12,993,216 |
| Ooredoo Fiber Route Construction Installation | 3,098,495,603 |
| Total Payable To Project | <u>3,692,653,544</u> |
| Payable To Staff | 170,000 |
| Salary Income Tax - Payable | 1,012,700 |
| Trade & Other Payable | <u>3,693,836,244</u> |
| Interest Payable | 20,000,000 |
| Total Trade & Other Payable | <u>3,713,836,244</u> |

9)Prepaid Expenses – Office rental

| Housing Location | Total | Balance |
|-----------------------------------------------------------------------------|--------------|-----------------------------|
| Meli kha condo apartment (Admin)/(4.05.2016 ~ 05.05.2017) | 15,167,000 | 1,263,000 |
| MKN Office | 6,000,000 | 1,000,000 |
| NPT Office from 22-8-2016 to 22-8-2017 , ,Broker fee 3 lakh , e | 3,900,000 | 1,300,000 |
| Meli kha condo apartment (Admin)/(7.08.2016 ~ 06.08.2017) | 19,300,000 | 6,420,000 |
| section 3 office Rent (Thar Ke Tha)+ Agent Fee (1-09-2016 To 31-08-2017) | 5,800,000 | 2,900,200 |
| Rental Charges for LSO (for 6 Months, 13-01-2017 to 13-07-2017) | 900,000 | 450,000 |
| Office rental charges (Feb,Mar,Apirl-2017) | 56,833,400 | 18,944,467 |
| Magway for Office Rental charges (| 2,500,000 | 2,083,333 |
| MPT maintenance (Gyopingauk)Bago (W) Office (28.02.2017 to 27.08.2017) | 1,650,000 | 1,100,000 |
| Office Rental charges (Myanaung Branch) (15.01.2017 to 15.07.2017 | 420,000 | 280,000 |
| Pathein Office for 1.3.17 to 1.9.17 | 1,910,000 | 1,273,333 |
| Thu Wa Na Home Extention (1.1.2017 ~31.12.2017) | 32,400,000 | 24,300,000 |
| Mobile network Maintenance(Bank Service Charges) (09.09.2016 To 08-09.2017) | 544,668 | 544,668 |
| | | <u>61,859,001</u> |
| Prepaid Expenses | | 2,212,348,229 |
| Prepaid expenses- Sub Con | | 1,188,658,640 |
| Total Prepaid Expense | | <u>3,462,865,870</u> |

10) Other Income

| | |
|----------------------------------|---------------------------|
| Investment Profit from NPD Hotel | 348,172,295 |
| Tower Project Income | 299,640,000 |
| CCTV Project Income | 102,150,000 |
| Fiber Project Income | 129,083,763 |
| Interest Income | 32,612,965 |
| Dividend Received from FMI | 1,350,000 |
| | <u>913,009,022</u> |

11.) Income From THM Project (April To Mar '2017)

| | Kyats |
|------------------------------------------------------------------------------------|-------------|
| Refund Cash take from 5.7.16,LSO-7-057 & 060,12.8.16,LSO-8-136 | 1,436,680 |
| Exchange Project _ Shan North | 7,750,505 |
| Income : from ZTE Co: OG Project :Tay Zar Lin | 31,272,286 |
| S-1 : Income Min Bu Auto Exchang Project | 450,100 |
| S-1 : Income From ZTE Co; TI & CME Project | 6,356,211 |
| Pan Asia Project site Cleaning Income 48 site 10%,38 site 90% :Ei Myat Phyo | 1,458,921 |
| MEC -Maintaionance (99 sites) Nov,15 Swe Swe Win | 2,952,000 |
| Repair ASL D-1 Card at Taunggyi | 100,000 |
| TWD -06 Auto Exchange DP2 Card repair charges | 440,000 |
| Fiber Installation at Nansan (Overhead Link Project) | 3,265,100 |
| Exchange Project: Ei Yee Mon Myint | 2,100,000 |
| Huawei spare part for Phase I contract Income (Material Purchase Only) | 119,062,652 |
| NSI 1 card change (AYA) | 1,234,883 |
| Engine ,Generator,Rectifier,Battery Install:& Transportation for SHN -00360 Income | 3,632,037 |
| Power Installation at SHN - 00025 (Kyaukmae Exchange station) | 2,187,668 |
| ZTE Payment (E-006,E-007,E-009)=60%(E-008)=100% | 7,971,723 |
| ZTE Co;for myanmar KDDI JOA Project | 1,274,196 |
| TWD-06-09 Series Digital program (3358) | 125,660,000 |
| MEC -Solar foundation & Fencing installation | 24,374,000 |
| LSO Sites BTS Maint April 2016 (51~100) - Shan North Mobile Radio Station | 67,671,000 |
| Monyuae Exchange CPU-C-2 Pos | 2,678,000 |
| MEC-2M Expansion project income from___ CME Work (MHIT) | 284,271,600 |
| Eain mae exchange income for DTKM(F1)1card -converter 1 | 3,263,000 |
| Shan (north)State BTS Maint:for may 2016 | 66,674,475 |
| (10sets)50% payment income contract with MEC Tel (Solar power Equipment) | 88,303,400 |
| MEC-99 sites maintenance -project income for April ,2016 S1=8088,S4=96571430 | 96,563,300 |
| MWA- MDY (96 Cores -- Monywae Exchange Fiber -12 Cores) | 7,541,100 |
| R & M Services for mobile Stations - Shan North (April , May, June) | 132,006,667 |
| Huawei GCI Co; project | 13,698,880 |
| Lso-site BTS Maint:for june 2016 | 67,457,275 |
| Chauk Exchange ,Maw Lite Exchange | 1,277,200 |
| Exchange Service Charges (Amm Auto Exchange) | 1,060,970 |
| Myanmar KDDI JOA project | 1,375,671 |
| ZTE Co;for myanmar KDDI JOA project | 13,070,209 |
| MEC-2M Expansion project income (From MHIT)Taung Kham site | 6,729,000 |
| Fiber Maint:Project Income :MDY site:April,May,June 2016 (Po-2016-06-476) | 39,243,000 |

| | |
|-------------------------------------------------------------------------------|-------------|
| Fiber Maint: Project Income,MDY site,-July ,August,Sept 2016 (PO-2016-06-476) | 48,317,730 |
| Refund Penalty from captiaon Hein Thiha Naing(For May-1st time) | 358,500 |
| NPT Pyinmana Ahaya Zy Exchange income | 1,639,760 |
| Shan south exchange | 8,373,900 |
| MEC maintenance (LSP 99 sites income)May 16 ,S1 (4 sites)=2581069, | 2,400,350 |
| MEC maintenance (LSP 99 sites income)May 16,S-4 | 88,982,191 |
| MEC maintenance (99 site)June 16' income | 30,346,015 |
| MEC Project income Yay a sin Gen-set installation | 3,700,000 |
| Muse Overhead Fiber 10KM | 30,153,825 |
| MEC maintenance - 114 Site August-2016 | 76,208,896 |
| MEC maintenance- 114 Site July-2016 | 74,424,677 |
| Sale Exchange Cards (Myaung Mya,Lay Myat Nar,Yay,Gwa,Khan Ni Exchanges) | 4,326,000 |
| MEC project Solar foundation at Double Win Co.Ltd | 5,800,000 |
| myanmar KDDI -JOA project -Civil work site 10% FTK -TI site 60% | 2,398,188 |
| Solar power (3 sets)50% Income contract with MEC Tel | 28,201,200 |
| 50% generator Repairing Payment income | 5,262,500 |
| TWD-06/09-Exchange repair & newcard Shan E | 5,805,183 |
| Kyauk Phyu Exchange (DP-2/CPU) | 1,854,000 |
| MEC maintenance LSP (89 sites)income september-2016 | 54,349,384 |
| Magwe division /Chauk Exchange DP-1 card & DP-2 card | 1,050,000 |
| Mandalay TWD-09 Exchange & Mattaya TWD-06 Exchange project | 1,575,000 |
| NPT-Tharwutt Hti Exchange project | 3,465,000 |
| Kanti Exchange Project | 1,365,000 |
| MEC maintenance (110 sites) October-2016 | 56,542,093 |
| MEC -CME work 2M Expansion project Income | 150,000,000 |
| Income from ZTE -KDDI project (KBZ) | 7,982,513 |
| Income from ZTE -KDDI project (KBZ) | 1,626,490 |
| Income from ZTE -KDDI project (KBZ) | 963,144 |
| MEC Maintenance Site (110) Income (November 2016) | 62,364,564 |
| Income for NPT- Site 63,Site Lease Fee | 2,400,000 |
| MEC Maintenance (110 sites) income for December 2016 | 61,732,649 |
| NPT-BTS Maintenance; Site Fee (Sep 2016) | 45,553,231 |
| Khanti Exchange (TWD -06) | 4,873,445 |
| Myanmar KDDI JOA Project | 8,191,355 |
| BTS Maintenance Shan (N) for September 2016 | 47,853,095 |
| Lamine Exchange (Mon State) | 515,000 |
| KDDI JOA Project | 15,155,938 |

| | |
|--------------------------------------------------------------------|----------------------|
| Mobile Radio Station in Shan (North) State for October 2016 | 50,703,809 |
| Mobile Radio Station in Shan (North) State for November 2016 | 65,734,314 |
| Fiber Maintenance of Tarlay- Kenglat (October to December 2016 | 9,528,750 |
| Ooredoo --- Fiber Project | 500,000,000 |
| MEC Site Name (Kyy Sin Taung)35 m Tower | 37,181,136 |
| Power Meter Appliance & Installation - 9 Site | 43,717,800 |
| Materials for SOLAR SYSTEM (Power)/MEC/TMHTWT/Solar-01/2016 (50%) | 88,303,400 |
| MEC maintenance / LSP (95 Site)(July & August) (YGN/NPT/ Shan/Mdy) | 99,024,633 |
| MEC maintenance / LSP (95 Site)(July & August) (YGN/NPT/ Shan/Mdy) | 99,024,633 |
| R & M Services for mobile Stations - Shan North (July , Aug) | 132,006,667 |
| R & M Services for mobile Stations - Shan North | 132,006,667 |
| R & M Services for mobile Stations - Shan North | 132,006,667 |
| New MEC Colocation 2 sites -CME Work(High Way Site) | 10,000,000 |
| Generator House Installation (Myeikhtila & Pakokku BSC) | 6,600,000 |
| R & M Services for mobile Stations - Shan North (July , Aug) | 132,006,667 |
| Fiber Maintenance ____Tarlay ~ Kenglat | 9,075,000 |
| Bago West (9 Site) For MEC Maintenance | 23,760,000 |
| NPT (21- Site) For MEC Maintenance | 34,650,000 |
| (YGN/NPT/Shan- North/MDY)- 61 Site | 163,400,241 |
| Mobile Radio Station (Mon/AYA/Shan North) -19 Site | 40,920,000 |
| Mobile Radio Station (NPT) | 321,092,500 |
| Mobile Radio Station (Shan North) | 734,393,333 |
| Mobile Radio Station (Bago-West) | 287,166,250 |
| 2 Million Expansion Project (160 - Site) | 94,400,000 |
| Fiber maintenance (Pyay - Hntha - Kyaung Kone) | 46,602,000 |
| MSAN (4020000364) | 18,305,863 |
| ZTE Co. (Maintenance 135 Site) | 67,550,800 |
| Project Income | 5,561,135,651 |
| Prepaid Card Commission Income | 3,621,602,767 |
| Production / KDDI Bonus Commission Income | 756,648,158 |
| Total income (2016 ~ 17) | 9,939,386,576 |
| Commercial tax | (473,304,123) |
| | 9,466,082,453 |

11-1) Prepaid Card Commission Income

| <u>No.</u> | <u>Month</u> | <u>Invoice Amount</u> | <u>Paid To MPT</u> | <u>Net Commission Income</u> |
|------------|-----------------|-----------------------|-----------------------|------------------------------|
| | | | | Kyats (Ks) |
| | - | | | |
| 1 | April-'2016 | 6,171,543,200 | 5,753,605,040 | 417,938,160 |
| 2 | May-'2016 | 7,640,986,800 | 7,182,277,740 | 458,709,060 |
| 3 | June-'2016 | 8,595,815,700 | 8,063,040,340 | 532,775,360 |
| 4 | July-'2016 | 5,611,448,000 | 5,272,025,380 | 339,422,620 |
| 5 | August-'2016 | 4,863,102,000 | 4,603,919,460 | 259,182,540 |
| 6 | September-'2016 | 2,867,193,450 | 2,672,324,283 | 194,869,167 |
| 7 | October-'2016 | 3,328,948,500 | 3,122,349,950 | 206,598,550 |
| 8 | November-'2016 | 3,775,708,650 | 3,559,373,691 | 216,334,959 |
| 9 | December-'2016 | 4,069,727,200 | 3,845,409,808 | 224,317,392 |
| 10 | January-'2017 | 3,740,175,500 | 3,525,973,080 | 214,202,420 |
| 11 | February-'2017 | 4,729,974,550 | 4,465,875,789 | 264,098,761 |
| 12 | March-'2017 | 5,185,463,100 | 4,892,309,322 | 293,153,778 |
| | | 60,580,086,650 | 56,958,483,883 | 3,621,602,767 |

12.) Administration Expense

| | |
|------------------------------|------------|
| Advertising & Promotion | 4,100,000 |
| Accommodation Charges | 7,806,830 |
| Bank Service Charges | 1,789,334 |
| Consulting Fees | 50,350,000 |
| Car Rental | 4,405,000 |
| Company Registration Expense | 1,135,000 |
| Consultant Fee | 21,480,000 |
| Exchange loss | 2,857,631 |
| Electricity Charges | 23,228,766 |

| | |
|-------------------------------------|-------------|
| Fuel Charges | 33,614,077 |
| General Labor Charges | 530,000 |
| ISO Payment | 2,344,000 |
| Internet & E Mail Expense | 6,609,690 |
| Journal & Newspaper | 93,000 |
| Licenses & Permits | 389,900 |
| Legal Fee | 500,000 |
| Meal Allowance | 72,479,263 |
| Medical Expense | 319,150 |
| Office Utilities | 12,602,955 |
| Office Rental | 250,570,757 |
| Penalties & fines | (236,815) |
| Postage & Delivery | 2,069,800 |
| Printing & Stationery | 23,979,810 |
| R & M - Building & Showroom | 22,868,262 |
| R & M - Computer | 1,150,000 |
| R & M - Electrical equipment | 2,181,100 |
| R & M - Office Equipment | 502,650 |
| R & M - Vehicle | 9,483,144 |
| Remittance Expense | 3,525,276 |
| Software Installation & Maintenance | 4,550,000 |
| SSB Fee | 1,167,950 |
| Staff Agent Fee | 500,000 |
| Staff Housing - Rental | 11,133,000 |
| Staff Housing- Expense | 1,471,150 |
| Staff Uniform | 8,890,000 |
| Stamp Duties | 5,407,900 |
| Securities Charges | 40,000 |
| Software | 1,181,500 |
| Telecommunications Expense | 2,184,350 |
| Tender Expense | 2,472,145 |
| Translation Charges | 453,000 |
| Transportation | 7,965,369 |
| Travelling Allowance | 3,951,650 |
| Trip Expense | 7,246,635 |
| Tax Expense _ Commercial Tax | 16,390,107 |
| Tax Expense _ Income Tax | 36,991,173 |
| Vehicle Lenience | 427,000 |

| | |
|--------------------------------|---------------|
| YCDC Tax | 539,850 |
| Salaries & Wages | 1,371,501,552 |
| Director Expense | 5,878,100 |
| Dep: - Computer & Printer | 5,015,308 |
| Dep: - Electrical Equipment | 480,625 |
| Dep: - Factory Building | 1,800,000 |
| Dep: - Furniture & Fixture | 2,684,225 |
| Dep: - Machinery & Accessories | 16,115,600 |
| Dep: - Motor Vehicle | 14,590,500 |
| Dep: - Office Equipment | 282,341 |
| Miscellaneous expenses | 4,947,626 |
| | <hr/> |
| | 2,098,987,235 |
| | <hr/> |

Selling & Distribution Expense

109,547,646

13) Cost Of Goods Sold

| | |
|------------------------|---------------|
| Project Expense | 2,800,688,983 |
| Discount Paid To Agent | 3,052,834,398 |
| Production Expense | 239,046,479 |
| | <hr/> |
| | 6,092,569,860 |
| | <hr/> |

TMH Telecom Co., Ltd

Financial Statements

For

(2015-2016)


THM Telecom Co., Ltd

Statement By Directors

We , Board Of Director of TMH Telecom Co.,Ltd do hereby state that , the accompanying accounts are properly drawn by so as to give a true and fair view of the state of affairs of the company as at 31st March 2016 and of the results of the company for the year then ended, and to comply with section 133 (1) (2) ,of the Myanmar Companies Act.

On behalf of directors


Managing Director


KYAW WAR LWIN
EXECUTIVE DIRECTOR
TAT MOE HNYE CHAN THAR
TUN WATTHAR CO., LTD

SEIN WIN & ASSOCIATES

Accounting, Auditing & Consultancy Services

Building No. 10/11, 12/13, Kyaik Hsiao Housing, Madaya Street, Tanintharyi (B) Ward, Tanintharyi Township, Yangon
Tel: 011-4001211, 01-8652111, 09-5037962 Fax: 011-3643760 E-mail: u.seinwin@topaudit@gmail.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

TMH TELECOM CO., LTD

We have audited the financial statements of TMH Telecom Co., Ltd, which comprise the Statement of financial position as at 31st March 2016, and the Statement of Profit or Loss, Statement of Changes in Equity and Cash Flow Statement for the year ended, and summary of significant accounting policies and other explanatory notes.

Management's Responsibilities for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Myanmar Financial Reporting Standards (MFRS). These responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are inappropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We are also required to report, in accordance with Section 145 (1) and (2) of the Myanmar Companies Act, to the members of the Company, on the account examined by us. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 1) The financial statements give a true and fair view of the financial position of TMH Telecom Co., Ltd as of 31st March 2016, and of its financial performance and its cash flow for the year then ended in accordance with MFRS.
- 2) We have obtained all the information and explanations we have required and
- 3) Books of account have been maintained by the Company as required by Section 130 of the Myanmar Companies Act.

U Sein Win

Certified Public Accountant

Date : 29.6.2016



TMH Telecom Co., Ltd

Statement of Financial Position As At 31st March 2016

Currency - Myanmar Kyat

| | | 2016 Kyats |
|---------------------------------------|--------------|---------------------------|
| Assets | Notes | |
| Non-current assets | | |
| Property, Plant & Equipment | 3 | 304,235,540.00 |
| Investment Properties | 4 | 2,392,426,452.00 |
| Total non-current assets | | 2,696,661,992 .00 |
| Current Assets | | |
| Cash & Cash Equivalent | 6 | 1,275,867,455.00 |
| Trade & Receivable | | 9,484,990,820.00 |
| Inventory | 5 | 1,675,511,680.00 |
| Prepaid Expenses | | 1,879,971,140.00 |
| Bank Guarantee Deposit | 7 | 530,715,078.00 |
| Prepaid Income Tax | | 55,609,228.00 |
| Total current assets | | 14,902,665,401.00 |
| Total Assets | | 17,599,327,393 .00 |
| Equity & Liabilities | | |
| Authorized share capital | | 10,000,000,000 .00 |
| (100000 shares @100000/-) | | |
| Share Capital | 8 | 640,000,000.00 |
| Retained Earning | | 7,947,634,624.00 |
| Net Profit for the year | | 1,056,518,839.00 |
| Total Equity | | 9,644,153,463 .00 |
| Non current Liabilities | | |
| Long-Term Loan | | 1,000,000,000.00 |
| Total non-current liabilities | | 1,000,000,000 .00 |
| Current liabilities | | |
| Trade & other Payable | | 6,049,185,429.00 |
| Deferred Income | | 98,849,452.00 |
| Provision for Penalty Charges | | 4,700,000.00 |
| Provision for income tax | | 352,172,946.00 |
| Payable - Commercial Tax | | 450,266,103.00 |
| Total current Liabilities | | 6,955,173,930 .00 |
| Total Equity & Liabilities | | 17,599,327,393.00 |

The notes on Page 4 - 11 are an integral part of the Financial Statements

Authenticated by Directors

TMH Telecom Co., Ltd
Statement of Profit or Loss and other Comprehensive Income
for the year ended 31st March 2016

Currency - Myanmar Kyat

| | | <u>2016</u> |
|------------------------------|-------|---------------------------|
| | Notes | |
| Revenue | 9 | 12,305,607,987.00 |
| Costs of Goods Sold | 10 | <u>(5,847,343,636.00)</u> |
| Gross Profit | | 6,458,264,351 .00 |
| Other Income | | 113,821,399.00 |
| Expenses | | |
| Selling & Distribution costs | 11 | (3,314,106,260.00) |
| Administration expenses | | <u>(1,849,287,705.00)</u> |
| Profit before Tax | | <u>1,408,691,785 .00</u> |
| Income tax expenses | | <u>352,172,946.00</u> |
| Net Profit after tax | | <u>1,056,518,839 .00</u> |
| Other Comprehensive Income | | <u>-</u> |
| Total Comprehensive Income | | <u>1,056,518,839 .00</u> |

The notes on Page 4 -11 are an integral part of the Financial Statements

Authenticated by Directors

TMH Telecom Co.,Ltd
Statement of Changes in Equity
for the year ended 31st March 2016

| | No of Ordinary shares | <u>Share Capital</u> Kyats | <u>Retained Earning</u> Kyats | <u>Total</u> Kyats |
|-------------------------------------|--------------------------|-------------------------------|----------------------------------|-----------------------|
| <u>2016</u> | | | | |
| Beginning of financial year | 6,400 | 640,000,000.00 | 7,947,634,624.00 | 8,587,634,624.00 |
| Prior year adjustment | | | | |
| Net Profit / (Loss) for the year | - | - | 1,056,518,839.00 | 1,056,518,839.00 |
| End of financial year | 6,400 | 640,000,000.00 | 9,004,153,463.00 | 9,644,153,463.00 |
| <u>2015</u> | | | | |
| Beginning of financial year | 6,400 | 640,000,000.00 | 7,922,768,169.00 | 8,562,768,169.00 |
| Prior year adjustment | | | | - |
| Restated profit | 6,400 | 640,000,000.00 | 7,922,768,169.00 | 8,562,768,169.00 |
| Net Profit / (Loss) for the year | | | 24,866,455.00 | 24,866,455.00 |
| End of financial year | 6,400 | 640,000,000.00 | 7,947,634,624.00 | 8,587,634,624.00 |

The notes on Page 4 -11 are an integral part of the Financial Statements

Authenticated by Directors

TMH Telecom Co., Ltd
Statement of Cash Flow
for the year ended 31st March 2016

| | 2016 |
|-----------------------------------------------------|-----------------|
| Cash Flow from Operating activities | |
| Profit / (Loss) before Tax | 1,408,691,785 |
| Depreciation for the year | 34,560,700 |
| Operating profit before working capital changes | 1,443,252,485 |
| Inventories | (198,210) |
| Trade & other receivable | (6,228,557,822) |
| Prepaid expenses | (168,786,322) |
| Bank Guarantee Deposit | (45,133,165) |
| Deferred Income | 98,849,452 |
| Trade & other payable | 6,049,185,428 |
| Provision | 4,700,000 |
| Commercial Tax - Payable | 450,266,103 |
| Cash Flow from Operating | 1,603,577,950 |
| Prepaid Income tax | (55,609,228) |
| Net cash used in operating activities | 1,547,968,722 |
| Cash Flow from investing activities | |
| Purchase of Property, plant & equipment | (95,846,490) |
| Other Investment | (1,095,508,452) |
| Net cash used in investing activities | (1,191,354,942) |
| Cash Flow from Financing activities | |
| Net cash used in financing activities | - |
| Net Increase / (decrease) in cash & cash equipment | 356,613,780 |
| Cash & Cash equivalent at the beginning of the year | 919,253,674 |
| Cash & Cash equivalent at the end of the year | 1,275,867,454 |

The notes on Page 4 - 11 are an integral part of the Financial Statements

Authenticated by Directors

TMH Telecom Company Limited

Notes to the Financial Statements

Currency – Myanmar Kyat

1. General Information

TMH Telecom Company Limited was incorporated as a private company in the Union of Myanmar under the Myanmar Companies Act on August 21, 2007.

The registered office of the company is No.(18/A), Koh Min Koh Chin Road, Bahan Township, Yangon Division.

The validity of Certificate of Incorporation issued to the company is five year expiring on July 29, 2019.

The Financial Statements are expressed in Myanmar Kyat and relate to the year from 1, April 2015 to 31, March 2016.

The name of Company was changed from Tah Moe Hnye Chan Thar Tun Wai Thar Company Limited to TMH Telecom Company Limited, dated on 12.1.2016.

The TMH Telecom Company Limited has been transformed from private company limited to public company limited, dated on 25.5.2016.

The principle business activities of the company are

- Production of Top Up Cards
- Distribution of mobile sim cards and prepaid Top Up cards
- Auto Telecom Exchange Installation & Maintenance Services
- BTS Tower Construction & Maintenance Services
- Site Acquisition & Technical Installation Services
- Fiber Cable Construction & Maintenance Services
- Power System Installation & Maintenance Services
- Telecom Equipment Installation & Maintenance Services
- Wiring & Cabling Services

2. Preparation of Accounting Policies

A. Basis of Preparation

The financial statements have been prepared in accordance with Myanmar Accounting Standards (MAS) under the historical cost convention.

B. Foreign Currency Translation

(1) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Myanmar Kyat, which is the functional and presentation currency of the Company.

(2) Transactions and balance

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

C. Use of estimates and judgments

The preparation of the financial statements in uniformity with MFRS requires management to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual result may differ from these estimates. Estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

D. Revenue Recognition

- The company was received prepaid card profit at 6% of MPT prepaid cards sold.
- Printing incomes are recognized when the printing income is certain to be received.
- Project incomes are recognized when the company satisfies the performance obligation by transferring control of a promised goods or services to the customers.

E. Inventories

Inventories are carried at the lower of cost and net realizable value (NRV) . Cost is determined on a **First In First Out** basis.

F. Key management personnel and director compensation

Directors are considered as key management personnel and director compensation amounting to Ks 73,649,518/- was paid during the financial year.

G. Property , Plant & Equipment

Property, plant & equipment are recognized at cost less accumulated depreciation or accumulated amortization.

Depreciation is calculated using the straight line method over the estimated useful lives of these assets. The depreciation rates of these assets are as follows,

| | |
|-------------------------|-----|
| Factory building | 10% |
| Machinery & Accessories | 10% |
| Motor Vehicles | 10% |
| Office equipment | 10% |
| Furniture & Fixture | 10% |
| Computer & Printer | 20% |
| Electrical Equipment | 20% |

H. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits in various local banks.

I. Ordinary Shares

Only Ordinary Shares are classified as equity. Costs directly attributable to the issuance of new ordinary shares are recognized in profit or loss in the year of issuance of new ordinary shares.

J. Provisions

Provisions are recognized when the company has a present legal or contractive obligation as result of past events.

K. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the company to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

L. Other Investment

These Financial instruments are measured at fair value through other comprehensive income and are valued at fair value including directly attributable transaction costs. Changes in fair value are recognized in equity and dividends receivable from equity assets are recognized in the income statement.

M. Deferred Income

Deferred Incomes are recognized when the cash receipt for after sale services. When services are satisfied or period is expired, deferred incomes are recognized as service income.

N. Income Tax

All tax expenses are current taxes and recognized in the income statement. Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantively enacted at the reporting date.

3. Property, Plant & Equipment

| | Land | Factory Building | Machinery & Accessories | Motor Vehicles | Office Equipment | Furniture & Fixture | Computer & Printer | Electrical Equipment | Total |
|----------------------------------------|-------------------|---------------------|----------------------------|--------------------|---------------------|------------------------|-----------------------|-------------------------|--------------------|
| <u>Cost</u> | | | | | | | | | |
| Balance at 1 April 2015 | 63,000,000 | 18,000,000 | 161,155,750 | 49,500,000 | 950,000 | 1,210,000 | - | 3,900,000 | 297,715,750 |
| Addition | - | - | - | 82,485,000 | 318,200 | 1,898,000 | 9,833,590 | 1,311,700 | 95,846,490 |
| Balance at 31 March 2016 | 63,000,000 | 18,000,000 | 161,155,750 | 131,985,000 | 1,268,200 | 3,108,000 | 9,833,590 | 5,211,700 | 393,562,240 |
| <u>Accumulated Depreciation</u> | | | | | | | | | |
| Balance at 1 April 2015 | - | 5,400,000 | 38,400,000 | 8,850,000 | 522,500 | 423,500 | - | 1,170,000 | 54,766,000 |
| Addition | - | 1,800,000 | 16,115,600 | 13,198,500 | 126,800 | 310,800 | 1,966,700 | 1,042,300 | 34,560,700 |
| Balance at 31 March 2016 | - | 7,200,000 | 54,515,600 | 22,048,500 | 649,300 | 734,300 | 1,966,700 | 2,212,300 | 89,326,700 |
| Net Book Value at 31 March 2016 | 63,000,000 | 10,800,000 | 106,640,150 | 109,936,500 | 618,900 | 2,373,700 | 7,866,890 | 2,999,400 | 304,235,540 |

4. Investment Properties

Kyat

| | |
|-----------------------------------|-------------------------|
| Other Telecom Relative Investment | 1,618,795,752.00 |
| FMI Share | 171,731,500.00 |
| Mineral & jewelry Bank | 100,000,000.00 |
| TMH NPT HOTEL | 501,899,200.00 |
| | <u>2,392,426,452.00</u> |

5. Inventories

| Items | Quantity | | | | Unit Price | | | | Amount |
|---------------------|----------|---------|---------|--------|------------|-------|---------|----------|---------------|
| | 1000 Ks | 3000 KS | 5000 KS | 10000 | 1000 KS | 3000 | 5000 KS | 10000 KS | |
| Auto | | | | 2,646 | | | | 8,800 | 23,284,800 |
| GSM | 498,136 | 23,872 | 89,467 | 20,282 | 940 | 2,820 | 4,700 | 9,400 | 1,146,712,580 |
| c-450 | | | 10,149 | 12,254 | 940 | 2,820 | 4,700 | 9,400 | 162,887,900 |
| c-800 | | | 8,873 | 10,959 | 940 | 2,820 | 4,700 | 9,400 | 144,717,700 |
| Sin Card | | 148,962 | | | | 900' | | | 134,065,800 |
| E Top Up Card | | | | | | | | | 63,842,900 |
| Total Closing Stock | | | | | | | | | 1,675,511,680 |

6. Cash & Cash Equipment

Kyat

| | |
|---------------------------------------|-------------------------|
| 1 AYA Bank (AC No.0048224010003358) | 222,962,071.43 |
| 2 AYA Bank (AC No.0048103010007248) | 738,582,502.24 |
| 3 KBZ Bank (AC No.00710300703595002) | 132,120,823.00 |
| 4 KBZ Bank (AC \10.00710300703595001) | 34,189,628.22 |
| 5 MICB Bank (USD 42857.53) | 55,714,789.00 |
| 6 Cash In Hand | 92,297,641.11 |
| | <u>1,275,867,455.00</u> |

7. Bank Guarantee Deposit

Kyat

| | |
|----------------------------------------------|-----------------------|
| Bank Guarantee for interpretation system | 3,996,330.00 |
| 1 year Bank Guarantee for fiber Maintenance | 6,300,000.00 |
| 800 MZ CDMA Spare Part project (USD 5015.28) | 6,519,864.00 |
| Auto Telephone | 11,000,000.00 |
| Bank Guarantee for BTS Maintenance | 27,600,000.00 |
| 5% for MEC Maintenance | 75,298,884.00 |
| Top Up Card Deposit | 400,000,000.00 |
| | <u>530,715,078.00</u> |

8. Capital Contribution

Ordinary shares

(6,400 shares of Ks 100,000/- each)

| | <u>No of Shares</u> | <u>Amount (Kyat)</u> |
|----------------------|---------------------|----------------------|
| 1.U Myint Lwin | 2,800 | 280,000,000 |
| 2.U Thiha Lwin | 1,200 | 120,000,000 |
| 3.U Thura Lwin | 800 | 80,000,000 |
| 4.Daw Khin Hnin Lwin | 800 | 80,000,000 |
| 5.U Kyaw Swar Lwin | 800 | 80,000,000 |
| | <u>6,400</u> | <u>640,000,000</u> |

9.Revenue

Kyat

| | |
|-----------------------|--------------------------|
| Prepaid card | 3,300,285,935.00 |
| MEC production Income | 528,412,400.00 |
| Printing Income | 518,182,772.00 |
| Project Income | 7,958,726,880.00 |
| | <u>12,305,607,987.00</u> |

| | |
|-------------------------------|-------------------------|
| <u>10. Cost of Goods sold</u> | Kyat |
| Production expenses | 218,688,600.00 |
| Project expenses | 5,628,655,036.00 |
| | <hr/> |
| | 5,847,343,636.00 |
| | <hr/> |

| | |
|---------------------------------------------|-------------------------|
| <u>11. Selling & Distribution costs</u> | Kyat |
| Discount paid to Agent | 2,602,453,460.00 |
| Customer service & Promotion expenses | 636,205,300.00 |
| Marketing expenses | 74,611,500.00 |
| Advertising & promotion | 836,000.00 |
| | <hr/> |
| | 3,314,106,260.00 |
| | <hr/> |

PART VII. REPUBLIC OF THE UNION OF MYANMAR

For the information relating to securities market in Myanmar, please refer to section “***Part VIII. The Myanmar Securities Market***”. For the information relating to risks relating to Myanmar, please refer to “***Part II. Information on the Public Offering - Risk Factor - Risks Relating To Myanmar***”. For the information relating to material relevant laws and regulation on our company, please refer to “***Part IX. Summary of Material Myanmar Laws and Regulations***”.

PART VIII. THE MYANMAR SECURITIES MARKET

The Securities Exchange Law (the “**SE Law**”) was enacted on 31 July 2013 and came into force immediately. Under the SE Law, the Securities Exchange Rules (the “**SE Rules**”) were promulgated on 27 July 2015 and certain notifications (a form of subordinate legislation in Myanmar) have been and will be issued to implement the SE Law and the SE Rules.

Regulators and Enforcement

The SECM was formed in August 2014. The SECM is the principal regulator of the Myanmar capital markets. The SECM has broad administrative power to, among other things, grant a licence for conducting any securities business, grant a permit to a stock exchange or an over-the-counter market, supervise the securities business, and approve a public offering. The Ministry of Planning and Finance (formerly known as the Ministry of Finance) (the “**MOF**”) shares rule-making functions with the SECM to implement the SE Law. The MOF has the power, with the approval of the Union Government, to issue the SE Rules and certain other stipulations after negotiation with the SECM. In addition, the MOF and the SECM have the power to issue notifications and certain other stipulations. Furthermore, during the transitional period until the Union Government determines that the securities market can be distinctively established and systematically operated in Myanmar, MOF will supervise the SECM and the securities business, and has the sole power to issue notifications and certain other stipulations. On the enforcement side, the SECM is authorised to take administrative actions, such as revocation of a licence, and to impose administrative monetary penalties against offenders. The SECM also has the right to summon, examine, and obtain evidence from any relevant person if there is a reason to believe an offence has been committed. However, its investigative power does not extend to arrest or seizure, which will be exercised by the police force or the Bureau of Special Investigation of the Ministry of Home Affairs.

Securities Business

The securities businesses regulated by the SE Law include securities dealing, securities brokerage, securities underwriting, securities investment advisory, and securities depository and clearing. Those terms are defined in the SE Law. In addition, the SECM has the power to add a category of securities business through a notification. A separate licence is generally required to operate each type of securities business. All persons are prohibited from carrying out any securities business without a licence. A violation will be subject to a criminal penalty. Each of securities dealing, securities brokerage, and securities underwriting can be conducted only by a licenced securities company. A securities company must be in a form of a limited company whose liability is limited by shares under Myanmar law. A securities company must also satisfy certain requirements in the SE Rules, such as having authorised capital and a minimum paid-up capital. The scope of business that can be conducted by a securities company is provided in the SE Rules. A securities company cannot allow any person other than its licenced representative to operate the securities business in its name. A violation will be subject to a criminal penalty. Accordingly, a securities company needs to ensure that its officers and employees who will handle securities transactions for the company with its customers will obtain licences for the securities company’s representatives. Separately, any responsible person or staff of a securities company is prohibited from participating in any other securities company, any other company, or other economic enterprise without the permission of the SECM. A licenced securities company may conduct the securities investment advisory business without a separate licence. Any other person who desires to carry out the securities investment advisory business needs to obtain a licence.

The SECM has the power to suspend a licence for a certain period of time or to revoke a licence if a licence-holder, for example, violates any of the terms and conditions of a licence, fails to perform any of the functions and duties it must observe, or violates any of the prohibitions provided in the SE Law or the SE Rules.

Disclosure

A public company is required under the SE Law to submit to the SECM the procedure of a public offering, including a prospectus, before making a public offering of its securities, and to obtain the approval of the SECM for the public offering. A public company is subject to the requirements provided in the Companies Act, the SE Law and the SE Rules and notifications promulgated thereunder. In this regard, the SECM had issued an instruction, Directive No.5/2016 dated 7 April 2016. Any non-compliance with, or contravention of, the requirements under the Companies Act subjects a person knowingly responsible for the issue of the relevant prospectus to a fine. Any person who violates any prohibition contained in the SE Rules could be punished with imprisonment, a fine, or both; non-compliance with, or contravention of, the prospectus requirements provided in the SE Rules would be subject to the above-mentioned criminal penalty. In addition, if there is any false statement in a prospectus, a person who wilfully makes a false statement in any material particular required by the Companies Act would be subject to imprisonment and a fine under the Companies Act, while such false statement may constitute a prohibited act under Part IX of the SE Law and could subject a responsible person to imprisonment and a fine. Although nothing is provided in the SE Law about civil liabilities, if there is any misleading or untrue statement in a prospectus, directors at the time of issue of the prospectus and other persons who have authorised the issue of the prospectus will, subject to certain defences, be liable under the Companies Act for all losses or damage incurred by subscribers for shares on the faith of the prospectus. The SE Rules require a public company to file with the SECM an annual report, a semi-annual report, and extraordinary reports for the benefit of investors buying or selling shares in the secondary market and to also make copies of those documents available at the company's registered office or on its website.

Prohibited Fraudulent Conduct

The prohibited acts are provided in Part IX of the SE Law, which are detrimental to the interests of the general public and to the protection of investors. Any person, including not only a securities company, but also an investor or a public company, is prohibited from conducting the prohibited acts and upon its violation will be subject to imprisonment for a term not exceeding 10 years and also possibly to a fine. The prohibited acts are:

- involvement in any act, such as cheating, deceiving, making false statements, or concealing important information, which seriously causes deception or influence on certain securities-related activities and securities market;
- disclosing incorrect information in order to incite or entice other persons to buy or sell securities, or disclosing insufficient or untimely information that seriously affects the price of the securities in the market;
- using internal information to buy or sell securities for its own account or for other persons, or disclosing or providing internal information or giving advice to other persons to buy or sell securities based on undisclosed internal information; and
- conspiracy in buying or selling securities by creating false demand and supply, or buying or selling continuously or using trading methods by conspiring with others or by enticing others in order to manipulate the price of securities.

Overview of the securities market in Myanmar

The YSX is owned by Yangon Stock Exchange Joint-Venture Company Limited, a joint venture company owned by Myanma Economic Bank, a state-owned bank, Daiwa Institute of Research, a Japanese company, and Japan Exchange Group, a Japanese company, and trading of shares on the YSX commenced on 25 March 2016.

There are currently four listed companies on the YSX as of the date of submission of the Prospectus, being First Myanmar Investment Co. Ltd., Myanmar Thilawa SEZ Holdings Public Ltd, Myanmar Citizens Bank Limited, and First Private Bank Limited.

Myanmar Securities Exchange Centre Co., Ltd. was established in 1996 as a joint venture company between Myanmar Economic Bank and Daiwa Securities Group Inc, a Japanese securities company to develop the capital markets in Myanmar in accordance with the guidance of the Ministry of Finance. Before the establishment of the YSX, shares of two public companies have been traded since late 1990.

In addition to the stock exchange described below, the SE Law also has provisions for an over-the-counter market, or an organised market for trading of unlisted securities. It can be formed by not less than three securities companies with the permission of the SECM. The requirements and procedures for the permission, as well as organisational matters and its functions and duties, are provided in the SE Rules.

A stock exchange is the centrepiece of the Myanmar securities market. It can be formed as a limited liability company or a joint-venture under Myanmar law. Although it is not clear from the provisions of the SE Law, it is envisaged, in particular in relation to YSX, that trading participants who can trade on a stock exchange market are securities companies and that they are not necessarily shareholders of a stock exchange. A stock exchange must obtain a permit from the SECM and is subject to its supervisory and regulatory authority, including permission for any amendment of its charter or business rules. The details of the requirements and procedures for the permit will be prescribed in the SE Rules. A stock exchange has self-regulatory power, among other things, to determine listing criteria and matters relating to trading participants.

A stock exchange, such as YSX, is allowed to carry out the securities depository and clearing business without a permit from, but by giving notice to, the SECM. The book-entry transfer system has been introduced in Myanmar in respect of listed shares, and YSX will become the central securities depository. Since the Companies Act assumes that physical share certificates will be issued, the SECM released Notification No. 1/2015 on 7 August 2015 to bridge the Companies Act provisions and the book-entry transfer system. In addition, the MOF also released Notification No.86/2016 on 28 March 2016, allowing listed companies on the YSX to register electronic securities certificates and the rights thereto with the Directorate of Investment and Company Administration.

PART IX. SUMMARY OF MATERIAL MYANMAR LAWS AND REGULATIONS

In Myanmar, the telecommunications industry is overseen by the Ministry of Transport and Communications (previously known as the Ministry of Communications and Information Technology).

The Company is a licenced telecommunication company under the Telecommunications Law (The Telecommunications Law 2013 is as described below) and has obtained an NFS(I) License to operate the Business.

THE TELECOMMUNICATIONS LAW 2013 AND MINISTRY OF TRANSPORT AND COMMUNICATIONS LICENSING RULES 2014

Any person, department and organisation from domestic and abroad desirous of establishing and providing any of the following telecommunication services shall apply to the Posts and Telecommunications Department under the Ministry of Transport and Communications to obtain a license:

- (i) the service for transmission and reception of information in its original or modified form by any means including wire, fiber optic cable or any other conducting cable or by using any means of radio wave, optical or any other forms of electromagnetic transmission (the “**Network Service**”);
- (ii) the service of leasing any element or combination of such elements of physical infrastructure (the “**Network Facility**”) which is used for the provision of Network Services, to a licensee of these telecommunication services whilst keeping possession of any Network Facilities or providing service over that Network Facility (the “**Network Facilities Service**”); and
- (iii) any service provided using one or more networks (the “**Application Service**”).

Pursuant to the Ministry of Transport and Communications Licensing Rules 2014 (Notification Number 16/2014 dated 14 October 2014) issued under the Telecommunications Law 2013, there are a number of licenses that can be issued and they are as follows:

| License | Services that can provided |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Network Facilities Service License (Individual) (the “ NFS(I) License ”) | <ul style="list-style-type: none">• Construct, maintain and operate Network Facilities• Lease all or part of the licensee’s network capacity to the holder of a Network Service License or Application Service License• Provide public or private Telecommunications Services (as defined below), whether on an international or national level, to the public and/or to other holders of a Network Service License or Application Service License• Construction, maintenance and operation of and the provision of Telecommunication Services <p>Licensees are allowed to engage in <u>all activities</u> authorised by the NFS(I) License, Network Facilities (Class) License, Network Service License and Application Service License</p> |

| | |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Network Facilities (Class) License | <ul style="list-style-type: none"> • To construct, deploy and maintain passive telecommunications network infrastructure and to lease such infrastructure to a holder of an NFS(I) License • To construct, deploy and maintain a telecommunications network solely for the self-provision of Telecommunications Services and not available for sale or hire • Deployment and maintenance of any type of passive network infrastructure for civil engineering elements and other telecommunications equipment to enable end-to-end telecommunications infrastructure solutions for the holder of an NFS(I) License <p>Licensees are only allowed to engage in those activities authorised under this license</p> |
| Network Service License | <ul style="list-style-type: none"> • Lease transmission capacity directly from another license holder in order to provide all public or private Telecommunication Services, whether on an international or national basis to the public <p>Licensees are only allowed to engage in those activities authorised under this license and the Application Service License</p> |
| Application Service License | <ul style="list-style-type: none"> • Lease transmission capacity directly from another license holder in order to provide all public or private Telecommunication Services on a national basis to the public <p>Licensees are only allowed to engage in those activities authorised under this license</p> |

The above Telecommunications Services Licenses may be issued for a period ranging from five to twenty years. Any request for renewal shall be made no more than twenty-four months and no less than twelve months prior to the expiry date of the Telecommunications Services Licenses.

Any person, department and organisation who has obtained permission and license (“**Telecommunications Services License**”) from the Ministry of Transport and Communications to provide Network Service, Network Facilities Service or Application Service (collectively, the “**Telecommunications Services**”) shall be obliged to, *inter alia*, do the following:

- (i) abide by the Telecommunications Law 2013 and rules, procedures, notifications, orders and directives issued under the Telecommunications Law 2013;
- (ii) comply with the terms and conditions contained in the Telecommunications Services License;

- (iii) comply with a frequency spectrum plan assigned and approved under the Telecommunications Law 2013; and
- (iv) obtain permission from the Ministry of Transport and Communications to provide any Telecommunications Services that the licensee is not expressly stated to be allowed to provide under the Telecommunications Services License or to operate a joint venture or consortium with another licensee.

If the holder of the Telecommunications Services License breaches any of the terms and conditions under the Telecommunications Services License or the duties as set out under the Telecommunications Law 2013, the Posts and Telecommunications Department under the Ministry of Transport and Communications may issue any of the following administrative orders:

- (i) warning;
- (ii) suspension of the Telecommunications Services License for a limited period; and
- (iii) termination of the Telecommunications Services License.

Any person who provides Telecommunications Services without a Telecommunication Services License shall, on conviction, be liable to imprisonment for a term not exceeding five years and may also be liable to a fine. In addition, any holder of the Telecommunications Services License who uses, keeps in possession, supplies or imports any Network Facility or telecommunication equipment as specified by the Ministry of Transport and Communications, that does not meet the prescribed technical standards shall, on conviction, be liable to imprisonment for a term not exceeding one year to a fine or to both.

THE ELECTRONIC TRANSACTIONS LAW 2004 AND THE ELECTRONIC TRANSACTIONS AMENDMENT LAW 2014

Pursuant to Section 34 of the Electronic Transactions Law 2004, any person who commits any of the following acts shall, on conviction be punished with a fine of an amount between 5,000,000 kyats to 10,000,000 kyats or if unable to pay the fine, imprisonment for a term of a minimum of one year to a maximum of three years:

- (i) sending, hacking, modifying, altering, destroying, stealing, or causing loss and damage to the electronic record, electronic data message, or the whole or part of the computer programme dishonestly;
- (ii) intercepting of any communication within the computer network, using or giving access to any person of any fact in any communication within permission of the originator and the addressee;
- (iii) communicating to any other person directly or indirectly with a security number, password or electronic signature of any person without permission or consent of such person;
- (iv) creating, modifying or altering of information or distributing of information created, modified or altered by electronic technology to be detrimental to the interest of or to lower the dignity of any organization or any person.

MYANMAR INVESTMENT LAW 2016

Parliament has in October 2016 passed a new Myanmar Investment Law (“**New Investment Law**”) which consolidates and repeals the existing Foreign Investment Law 2012 and Myanmar Citizens Investment Law 2013. Under the New Investment Law, there are four categories of sectors in which investment is restricted: (1) sectors in which only the Union Government is allowed to undertake and in which both domestic and foreign investments are prohibited; (2) sectors in which only foreign investment is prohibited; (3) sectors in which

foreign investment is allowed only in joint venture with a citizen owned entity or a citizen of Myanmar; and (4) sectors in which both domestic and foreign investment requires approval from relevant ministries. Specific approval from Myanmar Investment Commission (“MIC”) is required for a foreign investor to invest in any of the four restricted categories. Otherwise however, foreign investors are able to invest without requiring approval. Instead, the New Investment Law introduces a new “endorsement application” which allows investors to obtain an “endorsement” from MIC for an investment that does not fall under the restricted sectors. Upon endorsement by the MIC, the foreign investor could enjoy the same benefits such as land lease rights and tax incentives which, under the existing Foreign Investment Law and Myanmar Citizens Investment Law, are exclusive to a MIC permit holder only. In addition, investors that invest in less economically developed and remote regions may now apply for longer land lease periods than the usual 50 years (with 20 years extension option) land lease rights. The New Investment Law also allows for a longer tax exemption of up to 7 years for investment in regions and states that are least developed. Other notable provisions under the New Investment Law include the guarantee of equal treatment of domestic and foreign investors, guarantee of the right to repatriate profits and dividends offshore, and a new provision on expropriation which allows expropriation by the Union Government only on the ground of public interest.

SECURITIES EXCHANGE LAW

This law requires improved corporate governance and accountancy standards, a robust regulatory and reporting framework, and a level of transparency that will give investors adequate information for investment decisions.

MYANMAR COMPANIES ACT AND SPECIAL COMPANIES ACT

All companies in Myanmar are subject to the provisions contained in the Myanmar Companies Act 1914 and for companies which are joint ventures with the government, the provisions contained in the Special Companies Act 1950.

These are administered by DICA. All companies in Myanmar must be registered with DICA and adhere to the instructions, notifications and directives issued by DICA.

Please also see section “*Part I. Public Offering Summary – Important Notes to Prospective Investors*” for more information.

REGULATIONS

To the best of our Directors’ knowledge, we have complied with all relevant laws and regulations of Myanmar and have obtained all material licences, permits and approvals for our business and operations in Myanmar.

A summary of the relevant Myanmar laws and regulations which our business and operations are subject to in Myanmar is set out in this section “*Part IX. Summary of Material Myanmar Laws and Regulations*”. Save as disclosed above, our business and operations in Myanmar are not subject to any special policy, legislation or regulatory controls which have a material effect on our business and operations.

PART X. TAXATION

The following is a description of Myanmar corporate income tax and the material Myanmar income tax, capital gains tax and stamp duty consequences of the subscription for, ownership, and disposal of the Shares. The discussion below is not intended to constitute a complete analysis of all tax consequences relating to ownership of the Shares and is not intended to be and does not constitute legal or tax advice. While this discussion is considered to be a correct interpretation of existing laws in force as at the Latest Practicable Date, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur. There may be laws and other rules, regulations or official notifications, or unofficial or internal guidelines, which exist but which are not published or which are not generally available to the public, and the existence of the same may affect the discussion below. Prospective investors should consult their own tax advisers regarding Myanmar tax consequences and other tax consequences of owning, and disposing of, the Shares. None of our Company, our Directors and any other persons involved in the Listing accepts responsibility for any tax effects or liabilities resulting from the purchase, holding or disposal of the Shares.

CORPORATE INCOME TAX

A company is considered a citizen of Myanmar for purposes of income taxes if it is formed under the Companies Act or any other laws of Myanmar and where the entirety of its share capital is held exclusively by Myanmar citizens. Such companies, including TMH Telecom Public Co. Ltd., are considered residents for purposes of income taxation, and are taxed on a global basis. Taxable income, in this case, includes all income from the conduct of business, from dealings with property, and from other sources. All resident companies are taxed at a rate of twenty-five per cent. (25%) of net taxable income. Pursuant to Notification No. 76/2017 from the Ministry of Planning and Finance dated 26 July 2017, the income tax rate for public companies listed on the YSX has been reduced from 25% to 20%.

DIVIDEND DISTRIBUTIONS

Dividends received from a resident Myanmar company, which includes TMH Telecom Public Co. Ltd., are exempt from income tax in the hands of shareholders.

GAINS ON DISPOSAL OF SHARES

Gains on the disposal of Shares (with the exception of companies in the oil and gas sector) by Myanmar citizens are subject to capital gains taxes computed at the rate of 10 per cent. (10%). The taxable capital gain is calculated based on the difference between the sales proceeds and the cost of the Shares.

STAMP DUTY

Stamp duty is payable by a purchaser of Shares at the rate of 0.1 per cent. (0.1%) on the value of the Shares purchased.

PART XI. OTHER INFORMATION

CONSENTS

1. Allen & Gledhill (Myanmar) Co., Ltd as the Legal Adviser to our Company on Myanmar laws, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references in the form and context which it appears in this Prospectus and to act in such capacity in relation to this Prospectus.
2. Each of the Legal Adviser to our Company on Myanmar laws, the Sole Bookrunner, Sole Lead Manager and Underwriter, does not make, or purport to make, any statement in this document or any statement upon which a statement in this document is based and, to the maximum extent permitted by law, expressly disclaim and take no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this document.

LANGUAGE

This Prospectus is issued in both the English language and the Myanmar language. In the event of any inconsistencies between the English and Myanmar versions of this Prospectus, the English version of this Prospectus shall prevail.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

This Prospectus has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Prospectus are true, accurate and fair, and that no material facts have been omitted from the Prospectus which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

The Directors will also collectively and individually ensure that the Company will observe the provisions and regulations of the YSX.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office at No.54, Eastern Business Centre, 4th Floor and 5th Floor, Lay Daung Kan Road, Thinggangyun Tsp, Yangon, Myanmar during normal business hours for a period of six (6) months from the date of filing of this Prospectus with the DICA:

- (a) the Memorandum and Articles of Association of our Company; and
- (b) the material contracts referred to in the section “***Part III. Issuer Information - Description of Business - Material Contracts***”.

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR THE OFFERING SHARES IN MYANMAR

Applications are invited for the subscription for the Offering Shares at the Offering Price for each Offering Share, upon and subject to the terms and conditions set out in this Section, the Application Forms, and the Memorandum and Articles of Association of our Company.

Investors applying for the Offering Shares are required to pay the Offering Price for each Offering Share, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against the Company) where (a) an application is rejected or accepted in part only, or (b) if the Offering does not proceed for any reason.

General

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF ONE (1) OFFERING SHARE OR INTEGRAL MULTIPLES THEREOF. YOUR APPLICATION FOR ANY OTHER NUMBER OF OFFERING SHARES WILL BE REJECTED.**
2. You may apply for the Offering Shares under the Offering only during the period commencing 9:00 a.m. on 15 December 2017 and expiring at 14:00 p.m. on 3 January 2018. The period during which the Offering is open may, subject to all Applicable Laws, be extended or shortened to such date and/or time as our Company may determine in consultation with the Sole Bookrunner, Sole Lead Manager and Underwriter.
3. Your application for the Offering Share **MUST** be made using the printed Application Forms accompanying and forming part of the Prospectus.
4. Applications shall not be made from any person under the age of eighteen (18) years, or undischarged bankrupts.
5. The existence of a trust shall not be recognized. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification.
6. The Prospectus and its accompany documents (including the Application Forms) have not been lodged or registered in any jurisdiction other than in Myanmar. The distribution of the Prospectus and the Application Forms may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of this jurisdictions. Without limiting the generality of the foregoing, neither the Prospectus and the Application Forms nor any copy thereof may be taken, transmitted, published or distributed, directly or indirectly, in whole or in part, into or in any other jurisdiction. Any failure to comply with this restriction may constitute a violation of securities laws in the relevant jurisdictions.
7. The Prospectus and the Application Forms are not an offer of or invitation by or on behalf of our Company to subscribe for or purchase securities in any other jurisdiction nor are they an offer of or invitation by or on behalf of our Company to subscribe for or purchase securities in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The Offering Shares may not be offered, sold or delivered, and this Prospectus and the Applicable Forms may not be circulated or distributed, directly or indirectly, in any jurisdiction except in accordance with legal requirements applicable in such jurisdiction.

Our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters reserve the right to reject any applications for Offering Shares where our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters believe or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Myanmar receiving this Prospectus or the Application Forms may treat the same as an offer of or invitation to subscribe for or purchase any Offering Shares unless such

an offer or invitation could lawfully be made without compliance with any applicable legal or regulatory requirements in those jurisdictions.

8. Our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters reserve the right to reject any application which does not conform strictly to the instructions set out in the Prospectus or the Application Forms, or any Application Form which is illegible, incomplete, incorrectly completed or not duly signed or executed, or which is accompanied by an insufficient amount of monies (which should be equivalent to the aggregate amount of the bidding price (which shall fall within the Indicative Offering Price Range) for the relevant number of Offering Shares applied for) in your securities account opened with the respective Securities Companies at which you had submitted this Application Form.
9. Our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application without assigning any reason therefor. This right applies to applications made by way of Application Forms or such other forms of application as we may deem appropriate. Our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters will not entertain any enquiry and/or correspondence on our decision in relation to the exercise of such rights.
10. Notwithstanding anything herein, the allocation of the Offering Shares to the respective applicants pursuant to the Offering will be determined by the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters in their absolute discretion.
11. The relevant number of Offering Shares allocated to each successful applicant will be credited to the securities account of that successful applicant maintained with the respective Securities Companies to whom the Application Form was submitted to.
12. By completing and delivering an Application Form, you:
 - (a) irrevocably undertake and agree to accept and to subscribe for the number of Offering Shares applied for or any lesser number of such Offering Shares that may be allocated and/or allotted to you upon and subject to the terms and conditions set out in the Prospectus and the Application Forms and the Memorandum and Articles of Association of our Company;
 - (b) agree that the aggregate bidding price (which shall fall within the Indicative Offering Price Range) for the Offering Shares applied for is due and payable to the Securities Companies to which the Application Forms is submitted to upon application;
 - (c) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Securities Companies in determining whether to accept your application and/or whether to allocate and/or allot any Offering Shares to you; and
 - (d) agree and warrant that if the laws of any jurisdictions outside Myanmar are applicable to your application, you have complied with all such laws and our Company and the Securities Companies will not infringe any such laws as a result of the acceptance of your application.

Application Forms

1. We draw your attention to the detailed instructions contained in the Application Forms and the Prospectus for the completion of the Application Forms which must be carefully followed.

Our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and the Prospectus or which are illegible, incomplete, incorrectly completed or not duly signed or executed, or which are accompanied by insufficient amount of monies (which should be equivalent to the aggregate amount of the bidding price (which shall fall within the Indicative Offering Price Range) for the relevant number of Offering Shares applied for) in your securities account opened with the respective Securities Companies at which you had submitted this Application Form.

2. You may complete your Application Forms in either the English language or the Myanmar language. Please type or write clearly in ink, and use BLOCK LETTERS if you are completing it in English.
3. You must complete all spaces in your Application Form and you must write the words “NOT APPLICABLE” or “N.A.” in any space that is not applicable.
4. Applicants must give their names in full.

If you are an individual, you must make your application using your full name as it appears on your National Registration Card (if you have such an identification document) or in your passport. You are required to lodge, together with your application, a copy of your National Registration Card (if you have such an identification document).

If you are a corporation completing the Application Form, you must make your application using your full name as registered with DICA or other competent authority in Myanmar, and you are required to affix your common seal (if any) in accordance with your memorandum and articles of association or equivalent constitutive documents. You are required also to lodge, together with your application, a copy of the board resolutions authorising the execution and submission of the Application Form and a copy of the National Registration Card of the person authorised to submit the Application Form.

If you are an unincorporated entity, you must make your application using your full name as registered with the competent authority in Myanmar. You are required to lodge, together with your application, a copy of the resolutions of your board of directors or other governing body authorising the execution and submission of the Application Form and a copy of the National Registration Card of the person authorised to submit the Application Form.

Our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters reserve the right to require you to produce further documentary proof of identification for verification purposes.

5. You (whether an individual or corporate applicant, whether incorporated or unincorporated) will be required to declare in your application that you are a Myanmar citizen or a company that is wholly-owned by Myanmar citizens. If you are an unincorporated entity, your eligibility to apply for and to be allocated and/or allotted the Offering Shares will be determined by the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters in their discretion. Our Company, the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters reserve the right to require you to produce documentary proof of your status for verification purposes.
6. All Application Forms must be accompanied by a deposit of a sufficient amount of monies (which should be equivalent to the aggregate amount of the bidding price (which shall fall within the Indicative Offering Price Range) for the relevant number of Offering Shares applied for) in your securities account opened with the respective Securities Companies at which you had submitted this Application Form. You are to maintain this amount of monies in your securities account until such date where the Securities Companies notify you of the number of Offering Shares allocated to you. No acknowledgement of receipt will be issued for applications and application monies received.
7. Where an application is rejected or unsuccessful, the full amount of the application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom. Where an application is accepted in full or in part only, any balance of the application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom. Where the Offering does not proceed for any reason, the full amount of application monies will be refunded, without interest or any share of revenue or other benefits arising therefrom.
8. All refunds referred to in paragraph 7 above will be made to the applicant at his own risk within twenty-one (21) days after the close of the Offering. All refunds will be made by way of bank remittance by the respective Securities Companies to which the Application Forms is submitted to.
9. By completing and delivering an Application Form, you agree that:

- (a) your application is irrevocable;
- (b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Myanmar and that you irrevocably submit to the non-exclusive jurisdiction of the Myanmar courts;
- (c) in respect of the Offering Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
- (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
- (e) reliance is placed solely on information contained in the Prospectus, and that none of our Company or any other person involved in the Offering shall have any liability for any information not so contained; and
- (f) you irrevocably agree and undertake to subscribe for the number of Offering Shares applied for as stated in your Application Form or any smaller number of such Offering Shares that may be allocated and/or allotted to you in respect of your application. In the event that the Sole Bookrunner, Sole Lead Manager and Underwriter and the Joint Underwriters decide to allocate and/or allot any smaller number of Offering Shares or not to allocate or allot any Offering Shares to you, you agree to accept such decision as final.

Submission Of Application Forms

1. Your application for the Offering Shares MUST be made using the Application Forms provided.
2. You must:
 - (a) enclose in an envelope containing your Application Form, duly completed and signed, together with:
 - (i) if you are an individual applicant, a copy of your National Registration Card (if you have such an identification document);
 - (ii) if you are a corporate applicant, a copy of the board resolutions authorising the execution and submission of the Application Form and (if applicable) a copy of the National Registration Card of the person authorised to submit the Application Form;
 - (iii) if you are an unincorporated entity, a copy of the resolutions of your board of directors or other governing body authorising the execution and submission of the Application Form and a copy of the National Registration Card of the person authorised to submit the Application Form;
 - (b) complete the address of the relevant designated branch of the Securities Companies to which the application is made;
 - (c) seal the envelope containing your application and the required supporting documents;
 - (d) DELIVER BY HAND the sealed envelope with the relevant documents therein, at your own risk, to one of the designated branches of the Securities Companies set out in this Prospectus; and
 - (e) the sealed envelope containing your application and the required supporting documents must arrive by 14:00 p.m. on 3 January 2018 or such other time or date as our Company may determine in consultation with the Sole Bookrunner, Sole Lead Manager and Underwriter.

Any application received after such date and time will be rejected. No acknowledgement of receipt will be issued for any application or remittance received.

SIGNATURES OF THE DIRECTORS OF TMH TELECOM PUBLIC CO. LTD.



U Myint Lwin




Daw Khin Hnin Lwin



U Kyaw Swar Lwin



U Thiha Lwin



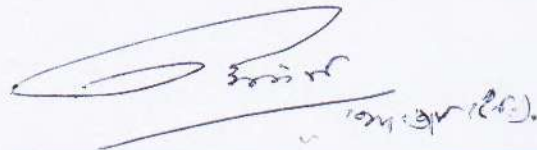
Daw Ohmar Lwin



Daw Nang Lai Yi Soe



Daw Thu Zar



U David Oliver Abel



U Aung Than



U Thein Zaw