

**Management Discussion and Analysis of TMH Telecom Public Company Limited
For the Year ended 31st March, 2020**

The following Management Discussion and Analysis (“MD&A”) is based on Financial Statements of **TMH Telecom Public Company Limited** for the half year results ended 31st March 2020 (HY 2019-2020) that is started from 1st October 2019 to 31st March 2020 and should be read in conjunction with those financial Statements.

All currency amounts in the MD&A are expressed in Myanmar Kyats unless otherwise specified.

Results Summary

Summary Income Statement

All Amount in Ks’000

	HY (2019-2020)	FY 2019	% Change
	Ks’ 000	Ks’ 000	
Revenue	2,984,114	2,968,196	1%
Costs of Good Sold	(1,551,268)	(1,501,064)	3%
Gross Profit	1,432,846	1,467,132	
Other Income	175,950	288,572	-39%
Expense	(1,168,764)	(1,359,854)	-14%
Profit Before Tax	440,033	395,849	11%
Tax Expense	(88,007)	(79,169)	11%
Net Profit After Tax	352,026	316,679	11%
Fair value adjustment of Investments	(17,325)	32,340	
Total Comprehensive Income	334,701	349,019	
Basic EPS (MMK)	27	25	11%

Address : No. 54, Eastern Business Centre, Level 5, Lay Daung Kan Road, Thingangyun T/S, Yangon, Myanmar

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The revenue of ks 2.98 Billion for the half year ended 31 March 2020 ("HY 2019-20") is 1% higher than ks 2.97 Billion recorded in the previous financial year ended 30th September 2019 ("FY 2019"). That is mainly due to the increase in revenue of new telecom projects starting from January 2020. However, the gross profit margin has not changed significantly, we are trying to make more revenue growth in the near future. Other income in this period is ks. 0.11 Billion lower than that of the comparative period because some projects which achieved return from external investment has been completed in the past year.

As the effective cost control strategy was used, the total profit before tax is increased by 11% over the previous period. Fair value adjustment of available-for-sale investments during this Period is mainly due to the Company's investments in First Myanmar Investment Co., Ltd. (FMI) which has quoted market price. The Earning per share has increased from 25 ks to 27 ks compared to the previous period.

Summary Balance Sheet

	HY (2019-20)	FY 2019	% Change
	Ks' 000	Ks' 000	
Assets			
Total Non-Current Assets	3,916,098	3,903,955	0.3%
Total Current Assets	12,970,584	13,396,159	-3.2%
Total Assets	16,886,683	17,300,114	
Equity & Liabilities			
Total Equity	16,081,918	15,827,361	1.6%
Total Liabilities	804,765	1,472,752	-45.4%
Total Equity & Liabilities	16,886,683	17,300,114	

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Current assets have decreased by 3.2% in HY (2019-20). It is because of some of the expenditure that had already been recognized as cost of goods sold. The increase of 0.3% in non-current assets is mainly due to the investment in Media and Entertainment business which could have benefits for our shareholders in the future.

Total liabilities are decreasing for this period because advance receipts were treated as liabilities of previous year and this year above liabilities are treated as income in timely manner according to the accounting standard.

Review and Going Forward

The management of the company (TMH) would like to report that the overall financial performance for the first six months (“HY 2019-2020”) has been improved than that of the comparative period of (“FY 2019”). This result is due to the company’s achievements on some new projects and applied the cost control strategy effectively in the period.

The Thi p p Lar mobile application which was launched last year has been suspended due to partner’s company couldn’t make available for technical supporting during the Covid -19 pandemic period. However, it didn’t have much impact on the revenue and profits of the company.

Moreover, potential new projects in related business areas of the company are under implementation and management will continue to grow all these business with best efforts to achieve better outcomes in the second half of the financial year.

By order of the Board

Thiha Lwin

Managing Director

30th June, 2020.