
Management Discussion and Analysis of TMH Telecom Public Company Limited**For the Year ended 30th September, 2020**

The following Management Discussion and Analysis (“MD&A”) is based on Financial Statements of **TMH Telecom Public Limited** for the year which ended on 30th of September 2020 FY (2019-2020) 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.

Due to the change in Myanmar’s financial year, the Company changed its financial year started from 1st of April 2019 to 30th of September 2019 in FY (2019). A new financial year started from 1st of October 2019 to 30th of September 2020 in FY (2019-2020). As a result, the comparative figures presented in statements are difficult to compare. So all shareholders should review the financial statements based on the changes of financial period six months and one year.

Results Summary
Summary of Income Statement
All Amount in K'000

	FY 2019-2020	FY 2019	% Change
	Ks' 000	Ks' 000	
Revenue	5,628,880	2,968,196	89.6%
Cost of Goods Sold	(3,166,327)	(1,501,064)	110.9%
Gross Profit	2,462,553	1,467,132	67.8%
Other Income	330,327	288,572	14.5%
Expense	(2,118,817)	(1,359,854)	55.8%
Profit Before Tax	674,064	395,849	70.3%
Tax Expense	(134,813)	(79,169)	70.3%
Net Profit After Tax	539,251	316,679	70.3%
Fair value adjustment of Investments	(17,325)	32,340	-153.6%
Total Comprehensive Income	521,926	349,019	49.5%
Basic EPS (MMK)	42	25	70.3%

Address: No. 54, Eastern Business Centre, Level 5, Lay Daung Kan Road, Thingangyun T/S, Yangon, Myanmar
Phone : +951 8550348, +951 8550936
Website: www.tmhtelecom.com

The revenue in FY (2019-2020) which ended on 30th of September 2020 was Ks. 5.6 billion and it was better than the Ks. 2.6 billion compares to prior FY (2019) which ended on 30th of September 2019. The 14.5% increase in other income was mainly due to the interest income.

Profit before income tax increased 70.3% in FY (2019-2020), Ks. 0.7 Billion compared to Ks 0.4 billion in FY (2019) which ended on 30th of September 2019., resulting mainly from the revenue growth of fiber project. As a result of the above, the company's net profit after income tax in FY (2019-2020) increased to Ks. 0.5 Billion.

Earnings per share increased from Ks. 25 in FY (2019) which ended on 30th of September 2019 to Ks. 42 in this FY (2019-2020) which ended on 30th of September 2020.

Summary of Balance Sheet

	FY 2019-2020	FY 2019	% Change
	Ks' 000	Ks' 000	
Assets			
Total Non-Current Assets	3,862,319	3,903,955	-1.1%
Total Current Assets	13,497,449	13,396,159	0.8%
Total Assets	17,359,767	17,300,114	0.3%
Equity & Liabilities			
Total Equity	16,260,081	15,827,361	2.7%
Total Liabilities	1,099,686	1,472,752	-25.3%
Total Equity & Liabilities	17,359,767	17,300,114	0.3%

The Current Assets increased by 0.8% in FY (2019-2020). This was due to the prepayments, advances and increase in cash and cash equivalents. The Non-Current Assets decreased by 1.1% in FY (2019-2020). This was due to the fair value measurement of share value on other investments.

Total liabilities decreased due to transfer from advance receipts from customer to revenue during this year FY (2019-2020).

Review and Going Forward

During the COVID-19 pandemic situation, the board worked closely with the management team to ensure that the communication network and services provided by TMH Telecom was running in stable condition to avoid communication breakdown within the public. The board also provided strongly supports especially related to ensure the safety of our employees, customers and to ensure full compliance with the guidelines issued by the Ministry of Health and Sports.

The COVID-19 pandemic has disrupted business all around the globe, and Myanmar and TMH are no exceptions. It led TMH has some limitations on implementation of new project, Namhkai Hydropower project which MOU extension agreement was signed with Ministry of Electricity, Energy and Industry of Shan State Government on 31st of August 2020 . However, the board has a plan to be ready when the situation recover. Although there is adverse impact from the pandemic situation, there is also advantage such as the number of broadband subscribers investment in Myanmar GT broadband company was increased 80% due to the usage of internet increased during pandemic situation.

Last, the board monitored and revised all the risks again and develop a sustainable plan to safeguard the interests of all our stakeholders and to ensure long term strategic growth of our company.

By order of the Board,

Thiha Lwin,

Managing Director

4th December, 2020.