

TMH Telecom Public Company Limited

Financial Statements

31st March, 2021

Currency – Myanmar Kyats

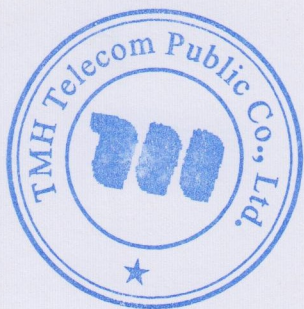
TMH Telecom Public Company Limited

Statement of Management's Responsibility

Statement of Auditor's Report

Financial Statements:

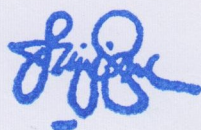
- Statement of Financial Position as at 31st March 2021
- Statement of Profit or Loss and Other Comprehensive Income for the Six Month Period Ended 31st March 2021
- Statement of Changes in Equity for the Six Month Period Ended 31st March 2021
- Statement of Cash Flows for the the Six Month Period Ended 31st March 2021
- Notes to the Financial Statements




STATEMENT OF THE DIRECTORS

Being Director of the “**TMH Telecom Public Co.,Ltd**” do hereby state that, in the opinion of the Directors, the accompanying Accounts made up to 31st March 2021 Schedules and Notes to the Accounts are drawn up so as to give a true and fair view of the state of affairs of the Company, and of the results of the Company for the period ended on the date of this statement according to the Section 258 and 264 of the Myanmar Companies Law.

We believe that the company will be able to pay its debts as and when they fall due and all account receivables are good and recoverable.



Nang Lai Yi Soe
Executive Director
TMH Telecom Public Co., Ltd.



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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**TMH Telecom Public Company Limited**

We have audited the financial statements of TMH Telecom Public Company Limited, which comprise the Statement of financial position as at 31st March 2021, 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 responsibility 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 Standards 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 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 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. And Audit also include evaluating the appropriateness 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 280 (a) and (b) of the Myanmar Companies Law, 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.

Basis for opinion

We conducted our audit in accordance with Myanmar Standards on Auditing (MSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

The financial statements give a true and fair view of the financial position of TMH Telecom Public Company Limited as of 31st March 2021, and of its financial performance and its cash flow for the year then ended in accordance with Myanmar Financial Reporting Standards (MFRS) and the provision of Myanmar Companies Law.

Report on other legal and regulatory requirement

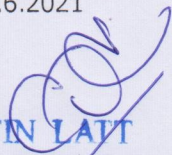
In accordance with the provisions of Myanmar Companies Law, we also report that:

- (a) We have obtained all the information and explanations we have required and
- (b) Books of account have been maintained by the Company as required by Section 258 and 264 of the Myanmar Companies Law.

U Tin Latt

Certified Public Accountant

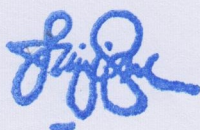
Date: 17.6.2021


U TIN LATT
B.Com(A.A), R.A, H.C.P., R.L, D.B.L
CERTIFIED PUBLIC ACCOUNTANT

TMH Telecom Public Co., Ltd
Statement of Financial Position As at 31st March 2021

		HY (2020-21)	HY (2019-20)
	Note	MMK	MMK
Assets			
Non-Current Assets			
Property, Plant & Equipment	3	606,802,748	717,061,798
Other Investments	4	207,415,000	215,500,000
Investment in Joint Venture	5	2,639,200,000	2,639,200,000
Investment in Project	6	344,336,367	344,336,367
		3,797,754,115	3,916,098,165
Current Assets			
Inventory - Prepaid Card	7	1,401,119,817	1,189,027,467
Inventory - Project		1,307,873,716	1,307,873,716
Work-in-Process (Project)	8	966,562,309	761,302,014
Prepaid Expense	9	257,881,414	263,065,823
Tender & Bank Guarantee Deposit		56,800,000	13,900,000
Prepaid - Income and Commercial Tax		442,264,606	223,692,924
Trade & Receivable	10	4,139,888,979	4,911,254,144
Cash_and_Cash_Equivalents	11	4,020,535,881	4,300,468,911
		12,592,926,722	12,970,584,999
Total Assets		16,390,680,837	16,886,683,164
Equity & Liabilities			
Paid Up Capital		14,559,798,000	14,559,798,000
Other Reserve		(64,316,500)	(56,231,500)
Retained Earnings		853,515,146	1,226,325,350
Net Profit for The Year		(83,101,305)	352,026,300
		15,265,895,341	16,081,918,150
Current Liabilities			
Trade & Other Payable	12	626,332,710	595,591,983
Provision - Income tax		134,812,817	88,006,575
Provision - Commercial Tax		363,639,969	121,166,456
		1,124,785,496	804,765,014
Equity & Liabilities		16,390,680,837	16,886,683,164

The notes on Page - are an integral part of the Financial Statements Authenticated by Directors



Nang Lai Yi Soe
Executive Director
TMH Telecom Public Co., Ltd.



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

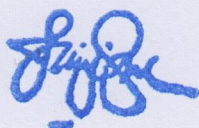
TMH Telecom Public Co.,Ltd

Statement of Profit or Loss and Other Comprehensive Income

for the Six-Month Period ended 31st March 2021

		HY (2020-21)	HY (2019-20)
	Note	MMK	MMK
Revenue	13	1,570,587,952	2,984,114,417
Cost of Goods Sold	14	(903,276,407)	(1,551,267,545)
Gross Profit		667,311,545	1,432,846,872
Other Income		87,647,353	175,949,778
Expense			
Selling & Distribution Expense		(42,461,265)	(175,811,573)
Administration Expense	15	(795,598,938)	(992,952,202)
Profit before Tax		(83,101,305)	440,032,875
Tax Expense			(88,006,575)
Net Profit after Tax		(83,101,305)	352,026,300
Other Comprehensive Income For the Year			
Fair value adjustment of Investments		(8,085,000)	(17,325,000)
Total Comprehensive Income For the Year		(91,186,305)	334,701,300
Earning Per Share			
Basic EPS (MMK)	16		27

The notes on Page - are an integral part of the Financial Statements Authenticated by Directors



Nang Lai Yi Soe
Executive Director
TMH Telecom Public Co., Ltd.



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

TMH Telecom Public Co.,Ltd
Statement of Changes in Equity
for the Six-Month Period ended 31st March 2021

	Share Capital		Reserves	Retained Earnings	Total
	No of Ordinary shares	MMK	MMK	MMK	MMK
HY (2020-21)					
Beginning of financial year	12,823,224	14,559,798,000	(56,231,500)	1,756,514,474	16,260,080,974
Prior year adjustment				(5,373,648)	(5,373,648)
Restated profit	12,823,224	14,559,798,000	(56,231,500)	1,751,140,826	16,254,707,326
Dividend paid (12,823,224 Sh- Qty * 70Ks)				(897,625,680)	(897,625,680)
Net Profit / (Loss) for the year				(83,101,305)	(83,101,305)
Other Comprehensive Income			(8,085,000)		(8,085,000)
End of financial year	12,823,224	14,559,798,000	(64,316,500)	770,413,841	15,265,895,341

TMH Telecom Public Co.,Ltd

Statement of Cash Flow for the Six-Month Period ended 31st March 2021

	HY (2020-21)	HY (2019-20)
	MMK	MMK
Cash Flow from Operating activities		
Profit / (Loss) before Tax	(83,101,305)	440,032,875
<i>Adjustments for;</i>		
Prior year adjustment	(5,373,648)	(80,144,810)
Depreciation for the year	56,682,399	56,804,608
Disposal Loss	567,091	87,667
Interest income	(53,663,358)	(99,414,351)
Operating profit before working capital changes	(84,888,821)	317,365,990
<i>(Increase) / decrease in Current Assets :</i>		
Inventories	1,403,368,598	1,647,133,591
Receivable From Project & Customer	(152,553,437)	382,159,133
Prepaid expenses	(329,961,269)	(243,006,604)
Bank Guarantee Deposit	8,200,000	153,660,000
<i>Increase / (decrease) in Current liabilities :</i>		
Trade & other payable	(53,588,488)	(755,994,277)
Cash Flow from Operating activities	790,576,583	1,501,317,832
Prepaid Income & Commercial Tax	(243,609,385)	
Provision - Income & Commercial Tax	78,687,686	
Net cash used in Operating activities	625,654,885	1,501,317,832
Cash Flow from Investing activities		
Purchase of Property, plant & equipment	(870,100)	(25,860,300)
Proceeds From Property, plant & equipment	100,000	
Purchase of Investment Securities	-	(60,500,000)
Interest Income	53,663,358	99,414,351
Net cash used in Investing activities	52,893,258	13,054,051

Cash Flow from Financing activities

Dividend paid	(897,625,680)	
Net cash used in Financing activities	(897,625,680)	-
Net Increase / (decrease) in cash & cash equivalents	(219,077,537)	1,514,371,883
Cash & Cash equivalents at the beginning of the year	4,239,613,418	2,786,097,028
Cash & Cash equivalents at the end of the year	4,020,535,881	4,300,468,911

TMH Telecom Public 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 law on August 21, 2007.

The registered office of the company is No. (54), Eastern Business Center, Level (4-5), Laydaungkan Road, Thingangyun Township, Yangon, Myanmar 11071.

The Financial Statements are expressed in Myanmar Kyat and relate to the year from 1, Oct 2020 to 31, March 2021.

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 Financial Reporting Standard (MFRS) under the historical cost convention.

B. Foreign Currency Translation

(1) Functional and presentation currency

Items includes 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 requirements 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 5% 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. Key management personnel and director compensation

Directors are considered as key management personnel and director remuneration amounting to Ks 33,600,000 was paid during the financial year.

F. Inventories

Inventories are stated at the lower of cost, computed using the first-in, first-out method, and net realizable value. Any adjustments to reduce the cost of inventories to their net realizable value are recognized in earnings in the current period.

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%
Tools & Project Accessories	10%
Motor Vehicles	10%
Office equipment	10%
Furniture & Fixture	10%
Computer & Printer	20%
Electrical Equipment	20%

H. Fair Value Measurements

The Company defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities that are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market based risk measurements or assumptions that market participants would use to price the asset or liability, such as risks inherent in valuation techniques, transfer restrictions and credit risk. Fair value is estimated by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement.

I. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits in various local banks. The Company believes its existing balances of cash, cash equivalents will be sufficient to satisfy its working capital needs, capital asset purchases, outstanding commitments and other liquidity requirements associated with its existing operations over the next 12 months.

J. 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.

K. Provisions

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

L. 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.

M. 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.

N. Prepaid Expense

Prepaid expenses are initially recorded as assets that have future economic benefits, and are expensed at the time when the benefits are realized.

O. 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 rate enacted or substantively enacted at the reporting date.

P. Earnings Per Share

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during the period.

3. Property, Plant & Equipment

	Land	Factory Building	Machinery & Accessories	Vehicle	Office Equipment	Computer & Printer	Furniture & Fixture	Electrical Equipment	Tools & Project Accessories	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Cost										
At Oct 2020	63,000,000	18,000,000	540,655,750	296,694,980	8,794,450	84,312,386	48,211,700	26,226,275	30,956,200	1,116,851,741
Addition				630,000				240,100		870,100
Disposal			-	1,218,000						(1,218,000)
At March 2021	63,000,000	18,000,000	540,655,750	296,106,980	8,794,450	84,312,386	48,211,700	26,466,375	30,956,200	1,116,503,841
Accumulated Depreciation										
At Oct 2020		15,300,000	196,611,775	133,638,158	3,366,841	60,886,199	20,133,992	17,217,018	6,415,620	453,569,603
Addition	-	900,000	27,033,000	14,826,600	392,400	7,477,800	2,413,200	2,091,399	1,548,000	56,682,399
Disposal			-	550,909						(550,909)
At March 2021		16,200,000	223,644,775	147,913,849	3,759,241	68,363,999	22,547,192	19,308,417	7,963,620	509,701,093
Net Book Value										
At March 2021	63,000,000	1,800,000	317,010,975	148,193,131	5,035,209	15,948,387	25,664,508	7,157,958	22,992,580	606,802,748

4.Other Investments

MMK

FMI Share	107,415,000
Mineral Development Bank	100,000,000
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	207,415,000
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5.Investment in Joint Venture

MMK

Myanmar GT	2,639,200,000
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	2,639,200,000
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6.Investment in Project

MMK

CCTV Project	283,836,367
Video Production	60,500,000
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	344,336,367
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7.Inventory - Prepaid Card

Item Name	Qty						MMK
	100ks	200ks	1000ks	3000ks	5000ks	10000ks	
Prepaid	192,398	201,623	731,225	71,006	36,513	7,601	1,199,858,924
Hanset						1	27,000
E-Top Up							194,951,593
Sim Card (300 ks per 1 card)						20,941	6,282,300
							1,401,119,817

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8. Work-in-Process (Project)

	MMK
_IFM Project	76,638,811
_Other Project	889,923,498
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	966,562,309
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9. Prepaid Expense

	MMK
Deposit to MPT- Mobile Money project	51,231,867
Advance for Office Use	64,867,358
Prepaid Expenses - Office Rental	47,936,235
Prepaid Expenses - Other	93,845,954
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	257,881,414
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10.Trade & Receivable

	MMK
Receivable From Project	
- IFM Project	2,221,472,940
- Fiber Project	52,266,850
- Mobile Project	544,069,770
- Other Project	342,487,850
Receivable From MPT	821,600,140
Receivable From Others	157,991,429
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	4,139,888,979
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11. Cash and Cash Equivalents

	MMK	USD
	Ex Rate - 1 USD = 1469.3 Ks	
Cash In Hand - Ks	158,148,147	
Cash In Hand - \$		\$ 42
Cash In bank - Ks	3,807,592,235	
Cash In bank - \$		\$ 37,252
	3,965,740,382	\$ 37,294

12.Trade & Other payable

	MMK
Accrued Expenses	46,914,440
Advanced Project Income	104,244,516
Payable to Sub-Contractor	382,250,680
Payable for Staff Salary, Salary Income Tax	92,923,074
Tax Payable	498,452,786
	1,124,785,496

13.Revenue

	HY (2020-21)
	MMK
- IFM Project	948,871,739
- Mobile Project	305,817,595
- Other Project	315,898,618
	<u>1,570,587,952</u>

14.Cost of Goods Sold

	HY (2020-21)
	MMK
Project - Expense	856,627,681
Production Cost	46,648,726
	<u>903,276,407</u>

15.Administration Expense

	MMK
Travelling and related costs	11,222,942
Other Expense	33,333,187
Vehicle Rental & Convenience Expense	114,315,518
Employee Benefit Expenses	285,381,831
Director's remuneration	33,600,000
Professional fees	33,325,675
Depreciation of property, plant and equipment	57,249,490
Utilities	115,233,797
Donation Charges	8,368,740
Marketing Expenses	528,100
Office Rental	95,741,733
Renovation and maintenance expenses	7,297,925
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	795,598,938
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