

TMH Telecom Public Company Limited

Financial Statements

30th September, 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 30th September 2021
- Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30th September 2021
- Statement of Changes in Equity for the Year Ended 30th September 2021
- Statement of Cash Flows for the Year Ended 30th September 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 30th September 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 30th September 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 Responsibilities

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 30th September 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
B.Com(A.A), R.A, H.G.P, R.L, D.B.I.
CERTIFIED PUBLIC ACCOUNTANT

U Tin Latt

Certified Public Accountant

Date: 16 . 12. 2021

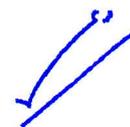
TMH Telecom Public Co., Ltd
Statement of Financial Position As at 30th September 2021

	Note	FY (2020-21) Kyats	FY (2019-20) Kyats
Assets			
Non-Current Assets			
Property, Plant & Equipment	3	551,922,640	663,282,137
Other Investments	4	201,640,000	215,500,000
Investment in Joint Venture	5	2,769,516,309	2,639,200,000
Investment in Project	6	344,336,367	344,336,367
		3,867,415,316	3,862,318,504
Current Assets			
Inventory - Prepaid Card	7	1,109,231,581	2,804,488,416
Inventory - Project		1,157,170,266	1,307,873,716
Work-in-Process (Project)	8	1,037,990,039	637,780,204
Prepaid Expense	9	239,667,713	256,702,250
Tender & Bank Guarantee Deposit		200,163,685	65,000,000
Prepaid - Income and Commercial Tax		164,231,275	198,655,221
Trade & Receivable	10	3,454,051,765	3,987,335,542
Cash_and_Cash_Equivalents	11	4,440,414,421	4,239,613,418
		11,802,920,745	13,497,448,768
Total Assets		15,670,336,062	17,359,767,272
Equity & Liabilities			
Paid Up Capital		14,559,798,000	14,559,798,000
Other Reserve		60,224,809	(56,231,500)
Retained Earnings		891,307,116	1,217,263,205
Net Profit for The Year		(703,839,817)	539,251,269
		14,807,490,108	16,260,080,974
Current Liabilities			
Trade & Other Payable	12	712,125,254	679,921,198
Provision - Income tax			134,812,817
Provision - Commercial Tax	12	150,720,700	284,952,283
		862,845,954	1,099,686,298
Equity & Liabilities		15,670,336,062	17,359,767,272

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

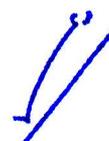
for the financial year ended 30th September 2021

		FY (2020-21)	FY (2019-20)
	<u>Note</u>	MMK	MMK
Revenue	13	3,007,791,808	5,628,880,126
Cost of Goods Sold	14	(2,303,568,732)	(3,166,326,748)
Gross Profit		704,223,076	2,462,553,378
Other Income		184,948,622	330,327,674
Expense			
Selling & Distribution Expense		(77,232,802)	(413,557,583)
Administration Expense	15	(1,515,778,713)	(1,705,259,383)
Profit before Tax		(703,839,817)	674,064,086
Tax Expense			(134,812,817)
Net Profit after Tax		(703,839,817)	539,251,269
Other Comprehensive Income For the Year			
Fair value adjustment of Investments		(13,860,000)	(17,325,000)
Share of profit of associates and JVs		130,316,309	
Total Comprehensive Income For the Year		(587,383,508)	521,926,269
Earning Per Share			
Basic EPS (MMK)			42

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 financial year ended 30th September 2021

	Share Capital		Reserves	Retained Earnings	Total
	No of Ordinary shares	MMK	MMK	MMK	MMK
FY (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				32,418,322	32,418,322
Restated profit	12,823,224	14,559,798,000	(56,231,500)	1,788,932,796	16,292,499,296
Dividend paid (12,823,224 Sh- Qty * 70Ks)				(897,625,680)	(897,625,680)
Net Profit / (Loss) for the year				(703,839,817)	(703,839,817)
Other Comprehensive Income			116,456,309		116,456,309
End of financial year	12,823,224	14,559,798,000	60,224,809	187,467,299	14,807,490,108

TMH Telecom Public Co.,Ltd

Statement of Cash Flows for the financial year ended 30th September 2021

	FY (2020-21)	FY (2019-20)
	MMK	MMK
Cash Flow from Operating activities		
Profit / (Loss) before Tax	(703,839,817)	674,064,086
<i>Adjustments for;</i>		
Prior year adjustment	32,418,322	(89,206,955)
Depreciation for the year	112,621,807	113,470,470
Disposal Loss	567,091	721,467
Interest income	(31,897,228)	(156,705,665)
Operating profit before working capital changes	(590,129,826)	542,343,404
<i>(Increase) / decrease in Current Assets :</i>		
Inventories	1,845,960,285	31,672,642
Receivable From Project & Customer	533,283,777	1,306,077,734
Prepaid expenses	(383,175,299)	22,289,317
Bank Guarantee Deposit	(135,163,685)	102,560,000
<i>Increase / (decrease) in Current liabilities :</i>		
Trade & other payable	32,204,056	(48,245,746)
Cash Flow from Operating activities	1,302,979,309	1,956,697,352
Prepaid Income & Commercial Tax	34,423,946	(110,372,837)
Provision - Income & Commercial Tax	(269,044,400)	(459,633,489)
Tax Paid		
Net cash used in Operating activities	1,068,358,855	1,386,691,027
Cash Flow from Investing activities		
Purchase of Property, plant & equipment	(2,042,500)	(29,380,302)
Proceeds From Property, plant & equipment	213,100	
Purchase of Investment Securities	-	(60,500,000)
Interest Income	31,897,228	156,705,665
Net cash used in Investing activities	30,067,828	66,825,363

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	200,801,003	1,453,516,389
Cash & Cash equivalents at the beginning of the year	4,239,613,418	2,786,097,029
Cash & Cash equivalents at the end of the year	4,440,414,421	4,239,613,418

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 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 requirements 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 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 61,600,000 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				1,412,500		2,042,500
Disposal			-	1,218,000		(522,000)				(1,740,000)
At 30th Sep 2021	63,000,000	18,000,000	540,655,750	296,106,980	8,794,450	83,790,386	48,211,700	27,638,775	30,956,200	1,117,154,241
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	-	1,800,000	54,066,000	29,632,800	784,800	14,143,897	4,825,699	4,272,611	3,096,000	112,621,807
Disposal			-	550,909		(408,900)				(959,809)
At 30th Sep 2021		17,100,000	250,677,775	162,720,049	4,151,641	74,621,196	24,959,691	21,489,629	9,511,620	565,231,601
Net Book Value										
At 30th Sep 2021	63,000,000	900,000	289,977,975	133,386,931	4,642,809	9,169,190	23,252,009	6,149,146	21,444,580	551,922,640

4.Other Investments

MMK

FMI Share	101,640,000
Mineral Development Bank	100,000,000
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	201,640,000
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5.Investment in Joint Venture

MMK

Beginning of financial year	2,639,200,000
Additional investment during the year	-
Share of profit of associates and JVs	130,316,309
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	2,769,516,309
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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						Other	MMK
	100ks	200ks	1000ks	3000ks	5000ks	10000ks		
Prepaid	179,684	197,675	590,245	57,888	38,723	4,706	1,014,580,984	
Hanset							1 27,000	
E-Top Up							72,504,597	
Sim Card (300 ks per 1 card)							73,730 22,119,000	
							1,109,231,581	

8. Work-in-Process (Project)

	MMK
_IFM Project	86,174,480
_Fiber Project	275,487,009
_Other Project	676,328,550
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	1,037,990,039

9. Prepaid Expense

	MMK
Deposit to MPT- Mobile Money project	52,432,370
Advance for Office Use	69,354,059
Prepaid Expenses - Office Rental	51,461,656
Prepaid Expenses - Other	66,419,628
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	239,667,713
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10. Trade & Receivable

	MMK
Receivable From Project	
- IFM Project	1,658,764,426
- Fiber Project	50,515,395
- Mobile Project	289,480,141
- Other Project	352,645,347
Receivable From MPT	1,026,433,827
Receivable From Others	76,212,629
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	3,454,051,765
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11. Cash and Cash Equivalents

	MMK	USD
	Ex Rate - 1 USD = 1927.1 Ks	
Cash In Hand - Ks	38,806,828	
Cash In Hand - \$		\$ 349
Cash In bank - Ks	4,339,309,787	
Cash In bank - \$		\$ 31,979
	4,378,116,615	\$ 32,327

12. Trade & Other payable

	MMK
Accrued Expenses	67,997,827
Deferred Project Income	281,920,890
Payable to Sub-Contractor	299,046,695
Payable for Staff Salary, Salary Income Tax	63,159,842
Tax Payable	150,720,700
	862,845,954

13.Revenue

	FY (2020-21)	FY (2019-20)
	MMK	MMK
- IFM Project	1,908,963,681	2,012,325,288
- Fiber Project		622,253,174
- Mobile Project	623,258,734	974,352,824
- Other Project	475,569,393	2,019,948,840
	3,007,791,808	5,628,880,126

14.Cost of Goods Sold

	FY (2020-21)	FY (2019-20)
	MMK	MMK
Project - Expense	2,232,100,699	3,023,329,206
Production Cost	71,468,033	142,997,542
	2,303,568,732	3,166,326,748

15.Administration Expense

	MMK
Travelling and related costs	23,723,913
Marketing Expenses	13,187,331
Employee Benefit Expenses	598,881,938
Utilities	205,485,585
Vehicle Rental & Convenience Expense	233,712,703
Professional fees	59,568,500
Donation Charges	11,016,510
Depreciation of property, plant and equipment	113,188,898
Other Expense	47,700,029
Office Rental	194,038,671
Renovation and maintenance expenses	15,274,637
	<hr/> 1,515,778,713 <hr/>