

**TMH TELECOM PUBLIC CO., LTD**

(Registration No. 183629719)

**Audited Report & Financial Statements**

**For the period ended 30<sup>th</sup> September 2022**



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### 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 30<sup>th</sup> September 2022 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 of the 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.



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#### 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 30<sup>th</sup> September 2022, and the Statement of Profit or Loss, Statement of Changes in Equity and Cash Flow Statement for the period 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). 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 these financial statements based on our audit. We conducted our audit 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 30<sup>th</sup> September 2022, and of its financial performance and its cash flow for the period then ended in accordance with Myanmar Financial Reporting Standards (MFRS) and the provision of Myanmar Companies Law.

### **Other Matter**

The previous audit report of the financial statements for the prior period 31<sup>st</sup> March was modified because the share of profit or loss for the period ended 31<sup>st</sup> March from associated company, Myanmar GT Broadband Company, was not recognized in financial statement of TMH Telecom Public Company Limited.

During this period ended 30<sup>th</sup> September 2022, the above share of profit or loss of the associated company is adjusted in opening retained earnings. We have reviewed and checked the information provided by the company relating to the share of profit or loss for the period ended 31<sup>st</sup> March of the associated company accordingly we express an unqualified opinion on these matter.

### **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.



**Daw Kay Khine Khine Linn**

**PPA-937**

**Certified Public Accountant**

TMH Telecom Public Co., Ltd  
Statement of Financial Position As at 30th September 2022

	Notes	Sep 30,2022	March 31,2022
		MMK	MMK
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	Sch-1	609,684,801	500,072,745
Other Investments	3	210,880,000	193,555,000
Investment in Associates	4	1,536,698,144	1,996,742,679
Investment in Project	5	60,500,000	344,336,367
		<b>2,417,762,945</b>	<b>3,034,706,791</b>
<b>Current Assets</b>			
Inventory - Prepaid Card	6	3,000,963,061	1,854,983,577
Inventory - Project		1,007,873,716	1,007,873,716
Work-in-Process ( Project )	7	1,948,486,161	1,375,441,209
Prepaid Expense	8	475,743,945	241,773,034
Tender & Bank Guarantee Deposit		835,434,537	438,203,096
Prepaid - Income and Commercial Tax		108,369,570	337,095,168
Trade & Receivable	9	3,443,922,495	3,418,426,355
Cash and Cash Equivalents	10	2,074,073,021	4,500,747,077
		<b>12,894,866,506</b>	<b>13,174,543,232</b>
<b>Total Assets</b>		<b>15,312,629,451</b>	<b>16,209,250,023</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Paid Up Capital		14,559,798,000	14,559,798,000
Other Reserves		69,464,809	52,139,809
Retained Earnings		(943,062,426)	(491,427,766)
Net Profit/ (Loss) for The Year		(103,910,835)	(103,028,282)
		<b>13,582,289,548</b>	<b>14,017,481,761</b>
<b>Current Liabilities</b>			
Trade & Other Payable	11	1,641,442,148	1,903,288,365
Provision - Commercial Tax	11	88,897,755	288,479,897
		<b>1,730,339,903</b>	<b>2,191,768,262</b>
<b>Total Equity &amp; Liabilities</b>		<b>15,312,629,451</b>	<b>16,209,250,023</b>

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.

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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-months period ended 30th September 2022

	Notes	For the six-months period ended September 30,2022	For the six-months period ended September 30,2021
		MMK	MMK
Revenue	12	1,714,151,634	1,437,203,856
Cost of Goods Sold	13	(864,402,107)	(1,400,292,325)
<b>Gross Profit</b>		<b>849,749,527</b>	<b>36,911,531</b>
Other Income		215,580,505	97,301,269
<b>Expenses</b>			
Selling & Distribution Expense		(174,499,723)	(34,771,537)
Administration Expenses	14	(994,741,144)	(720,179,775)
<b>Profit/ (Loss) before Tax</b>		<b>(103,910,835)</b>	<b>(620,738,512)</b>
Income Tax Expenses			
<b>Net Profit/ (Loss) after Tax</b>		<b>(103,910,835)</b>	<b>(620,738,512)</b>
Other Comprehensive Income For the Year			
Fair value adjustment of Investments		17,325,000	(5,775,000)
<b>Total Comprehensive Income For the Year</b>		<b>(86,585,835)</b>	<b>(626,513,512)</b>

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Executive Director  
TMH Telecom Public Co., Ltd.



Thiha Lwin  
Managing Director  
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TMH Telecom Public Co.,Ltd  
Statement of Changes in Equity  
for the six-months period ended 30th September 2022

	Share Capital		Reserves	Retained Earnings	Total
	No of shares	MMK	MMK	MMK	MMK
Balance as at March 31,2022	12,823,224	14,559,798,000	52,139,809	(594,456,048)	14,017,481,761
Prior year adjustment				(348,606,378)	(348,606,378)
Restated profit	12,823,224	14,559,798,000	52,139,809	(943,062,426)	13,668,875,383
Net Profit / (Loss) for the year				(103,910,835)	(103,910,835)
Other Comprehensive Income			17,325,000		17,325,000
Balance as at September 30, 2022	12,823,224	14,559,798,000	69,464,809	(1,046,973,261)	13,582,289,548

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 Cash Flows for the six-months period ended 30th September 2022

	For the six-months period ended September 30,2022	For the six-months period ended March 31,2022
<b>Cash Flow from Operating activities</b>	MMK	MMK
Profit / (Loss) before Tax	(103,910,835)	(103,028,282)
<b>Adjustments for non-cash items</b>		-
Prior year adjustment	11,297,757	93,878,566
Depreciation for the year	59,458,033	54,214,045
Disposal Loss	1,271,861	-
Interest income	(78,388,290)	(63,411,754)
<b>Operating profit/(loss) before working capital changes</b>	<b>(110,271,474)</b>	<b>(18,347,425)</b>
<b>Changes in working capital</b>		-
Inventories	(1,145,979,484)	(596,455,446)
Receivable From Project & Customer	(25,496,140)	35,625,410
Prepaid expenses	(807,015,863)	(339,556,490)
Bank Guarantee Deposit	(397,231,441)	(238,039,411)
Trade & other payable	(261,846,217)	1,191,163,110
<b>Cash Flow from Operating activities</b>	<b>(2,747,840,619)</b>	<b>34,389,748</b>
Prepaid Income & Commercial Tax	228,725,598	(172,863,893)
Provision - Income & Commercial Tax	(199,582,142)	137,759,197
<b>Net cash provided by /(used in) Operating activities</b>	<b>(2,718,697,163)</b>	<b>(714,948)</b>
<b>Cash Flow from Investing activities</b>		-
Purchase of Property, plant & equipment	(70,569,100)	(2,364,150)
Proceeds From Property, plant & equipment	367,550	-
Investment Income	283,836,367	
Interest Income	78,388,290	63,411,754
<b>Net cash provided by /(used in) Investing activities</b>	<b>292,023,107</b>	<b>61,047,604</b>
<b>Cash Flow from Financing activities</b>		-
Dividend paid		-
<b>Net cash provided by /(used in) Financing activities</b>	<b>-</b>	<b>-</b>
Net Increase / (decrease) in cash & cash equivalents	(2,426,674,056)	60,332,656
Cash & Cash equivalents at the beginning of the year	4,500,747,077	4,440,414,421
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>2,074,073,021</b>	<b>4,500,747,077</b>

**TMH Telecom Public Company Limited****Notes to the Financial Statements For the six-months period ended September 30, 2022****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 (5), Laydaungkan Road, Thingangyun Township, Yangon, Myanmar 11071.

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. TMH Telecom Company Limited has been transformed from private company limited to public company limited, dated on 20.5.2016 and listed in the Yangon Stock Exchange (YSX) on 26.01.2018.

The principle business activities of the company are:

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

ICT 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 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 4.53% 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 23,040,000 was paid during the financial year.

## F. Property, Plant & Equipment

Property, plant & equipment are recognized at cost less accumulated depreciation. Subsequent expenditure is not capitalized unless it increases the expected future economic benefits of the asset. 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%

#### G. 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.

#### H. 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.

#### 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. 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.

#### K. 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.

#### L. 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.

#### M. Provisions

Provisions are recognized when the company has a present legal or contractive obligation as result of past events, the outflow of resources is probable and a reliable estimate can be made of the amount of

the obligation. Provisions are not recognized for the future operating loss.

#### **N. 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.

#### **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.

3. Other Investments	September 30,2022	March 31,2022
	MMK	MMK
FMI Share (11,550 share *9,600 ks)	110,880,000	93,555,000
Mineral Development Bank	100,000,000	100,000,000
	<b>210,880,000</b>	<b>193,555,000</b>

  

4. Investment in Associates	September 30,2022	March 31,2022
	MMK	MMK
Beginning of financial year	1,996,742,679	2,769,516,309
Share of profit of associates and JVs	(460,044,535)	(772,773,630)
	<b>1,536,698,144</b>	<b>1,996,742,679</b>

  

5. Investment in Project	September 30,2022	March 31,2022
	MMK	MMK
CCTV Project		283,836,367
Video Production	60,500,000	60,500,000
	<b>60,500,000</b>	<b>344,336,367</b>

  

6. Inventory – Prepaid Card	September 30,2022	March 31,2022
	MMK	MMK
<b>Item Name</b>		
Prepaid Card	2,902,445,760	1,645,006,600
Handset	27,000	27,000
E-Top Up	94,860,301	174,861,677
Sim Card ( 300 ks per 1 card )	3,630,000	35,088,300
.	<b>3,000,963,061</b>	<b>1,854,983,577</b>

  

7. Work-in-Process (Project)	September 30,2022	March 31,2022
	MMK	MMK
_IFM Project	30,251,734	78,078,228
_Fiber Project	768,579,962	420,075,040
_Other Project	1,149,654,465	877,287,941
	<b>1,948,486,161</b>	<b>1,375,441,209</b>

8. Prepaid Expense	September 30,2022	March 31,2022
	MMK	MMK
Deposit to MPT- Mobile Money project	61,817,737	58,763,096
Advance for Office Use	218,850,000	41,315,800
Prepaid Expenses – Office Rental	116,209,382	53,261,250
Prepaid Expenses – Other	78,866,827	88,432,888
	<b>475,743,945</b>	<b>241,773,034</b>
<hr/>		
9. Trade & Receivable	September 30,2022	March 31,2022
	MMK	MMK
Receivable From Project		
– IFM Project	1,584,905,341	1,621,612,750
– Fiber Project		70,186,913
– Mobile Project	315,502,426	314,249,388
– Other Project	70,245,000	77,696,806
Receivable From MPT	1,433,718,889	1,258,790,963
Receivable From Others	39,550,839	75,889,535
	<b>3,443,922,495</b>	<b>3,418,426,355</b>
<hr/>		
10. Cash and Cash Equivalent	September 30,2022	
	MMK	USD
		Ex Rate – 1 USD = 2100 Ks
Cash in Hand – Ks	81,368,852	
Cash in Hand – \$		1,212.00
Cash at bank – Ks	1,919,387,692	
Cash at bank – \$		33,701.61
	<b>2,000,756,544</b>	<b>34,913.61</b>
<hr/>		
11. Trade & Other payable	September 30,2022	March 31,2022
	MMK	MMK
Accrued Expenses	97,027,759	178,033,080
Deferred Project Income	1,200,559,122	1,008,812,091
Payable to Sub-Contractor	273,935,397	666,493,665
Payable for Staff Salary, Salary Income Tax	69,919,870	49,949,529
Tax Payable	88,897,755	288,479,897
	<b>1,730,339,903</b>	<b>2,191,768,262</b>

	For the six-months period ended	For the six-months period ended
	September 30,2022	September 30,2021
	MMK	MMK
<b>12. Revenue</b>		
- IFM Project	957,744,882	960,091,942
- Fiber Project	2,019,081	
- Mobile Project	575,562,318	317,441,139
- Other Project	178,825,353	159,670,775
	<b>1,714,151,634</b>	<b>1,437,203,856</b>
<b>13. Cost of Goods Sold</b>		
Project - Expense	805,075,124	1,375,473,018
Production Cost	59,326,983	24,819,307
	<b>864,402,107</b>	<b>1,400,292,325</b>
<b>14. Administration Expense</b>		
Travelling and related costs	11,401,125	12,500,971
Marketing Expenses	141,677,950	12,659,231
Employee Benefit Expenses	271,511,153	279,900,106
Utilities	173,767,485	90,251,788
Vehicle Rental & Convenience Expense	114,715,987	119,397,185
Professional fees	33,000,000	26,242,825
Donation Charges	791,276	2,847,770
Depreciation of property, plant and equipment	59,458,033	55,939,408
Other Expense	73,019,795	14,166,842
Office Rental	98,977,590	98,296,938
Renovation and maintenance expenses	16,420,750	7,976,712
	<b>994,741,144</b>	<b>720,179,775</b>

**TMH Telecom Public Co.,Ltd**  
**Fixed Assets Schedule as at 30.9.2022**

Particular	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 March 31, 2022	63,000,000	18,000,000	540,655,750	296,106,980	8,794,450	85,642,286	48,268,700	28,094,025	30,956,200	1,119,518,391
Addition				206,910,400	665,000	4,246,000	462,000	1,696,100		213,979,500
Disposal				(1,401,000)	(1,329,800)	(5,224,783)	(594,000)	(524,100)		(9,073,683)
<b>At September 30,2022</b>	<b>63,000,000</b>	<b>18,000,000</b>	<b>540,655,750</b>	<b>501,616,380</b>	<b>8,129,650</b>	<b>84,663,503</b>	<b>48,136,700</b>	<b>29,266,025</b>	<b>30,956,200</b>	<b>1,324,424,208</b>
Accumulated Depreciation										
At March 31, 2022	-	18,000,000	277,710,775	177,526,249	4,544,041	79,711,140	27,312,791	23,581,030	11,059,620	619,445,646
Addition	-		27,033,000	66,792,100	348,800	3,139,792	2,341,200	1,525,141	1,548,000	102,728,033
Disposal				(565,450)	(743,649)	(5,224,776)	(418,200)	(482,197)		(7,434,272)
<b>At September 30,2022</b>	<b>-</b>	<b>18,000,000</b>	<b>304,743,775</b>	<b>243,752,899</b>	<b>4,149,192</b>	<b>77,626,156</b>	<b>29,235,791</b>	<b>24,623,974</b>	<b>12,607,620</b>	<b>714,739,407</b>
Net Book Value										
At September 30,2022	63,000,000	-	235,911,975	257,863,481	3,980,458	7,037,347	18,900,909	4,642,051	18,348,580	609,684,801