



12/28/2023

TMH TELECOM PUBLIC COMPANY LIMITED
AUDITED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 30th SEPTEMBER 2023

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

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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 30th September 2023 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.



**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 2023**, 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 requirements 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.

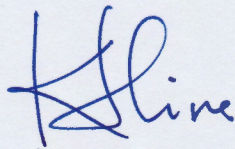
Opinion

The financial statements give a true and fair view of the financial position of **TMH Telecom Public Company Limited** as of **30th September 2023**, 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.

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.



Certified Public Accountant

Yangon, Myanmar

Date: **22. 12. 2023**

Daw Kay Khine Khine Linn

PPA-937

Certified Public Accountant

TMH Telecom Public Co., Ltd
Statement of Financial Position as at 30th September, 2023

	Note	1st interim FY (2023-24)	1st interim FY (2022-23)
		April '2023 to September'2023 MMK	April '2022 to September'2022 MMK
Assets			
Non-Current Assets			
Property, Plant & Equipment	Sche-1	535,142,309	609,684,801
Other Investments	3	202,795,000	210,880,000
Investment in Associates		1,628,727,147	1,536,698,144
Investment in Project		60,500,000	60,500,000
		2,427,164,456	2,417,762,945
Current Assets			
Inventory - Prepaid Card	4	3,143,285,721	3,000,963,061
Inventory - Project		1,007,873,716	1,007,873,716
Work-in-Process (Project)	5	1,521,056,052	1,948,486,161
Prepaid Expenses	6	194,881,840	475,743,945
Tender & Bank Guarantee Deposit		825,311,130	835,434,537
Prepaid - Income and Commercial Tax		134,089,590	108,369,570
Trade & Receivable	7	3,770,623,443	3,443,922,495
Cash and Cash Equivalents	8	2,186,397,197	2,074,073,021
		12,783,518,689	12,894,866,506
Total Assets		15,210,683,145	15,312,629,451
Equity & Liabilities			
Paid Up Capital		14,559,798,000	14,559,798,000
Other Reserve		61,379,809	69,464,809
Retained Earnings		(696,374,251)	(943,062,426)
Retained Earnings-Adj		1,490,473	-
Net Profit for The Year		138,183,986	(103,910,835)
		14,064,478,017	13,582,289,548
Current Liabilities			
Trade & Other Payable	9	951,034,984	1,641,442,148
Provision - Income tax		28,302,744	-
Provision - Commercial Tax		166,867,400	88,897,755
		1,146,205,128	1,730,339,903
Total Equity & Liabilities		15,210,683,145	15,312,629,451

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




TMH Telecom Public Co.,Ltd
Statement of Profit or Loss and Other Comprehensive Income
for the financial period ended 30th September 2023

		1st interim FY (2023-24) April '2023 to September'2023	1st interim FY (2022-23) April '2022 to September'2022
	<u>Note</u>	MMK	MMK
Revenue	10	3,337,347,990	1,714,151,634
Cost of Goods Sold	11	(2,278,741,951)	(864,402,107)
Gross Profit		1,058,606,039	849,749,527
Other Income		102,672,613	215,580,505
<u>Expenses</u>			
Selling & Distribution Expense		(66,733,561)	(174,499,723)
Administration Expense	12	(928,058,361)	(994,741,144)
Net Profit before Tax		166,486,730	(103,910,835)
Tax Expense		(28,302,744)	
Net Profit after Tax		138,183,986	(103,910,835)
Other Comprehensive Income for the Year			
Fair value adjustment of Investments		10,395,000	17,325,000
Total Comprehensive Income for the Year		148,578,986	(86,585,835)
<u>Earnings Per Share</u>			
Basic EPS (MMK)		11	(8)

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					
	Share Capital		Reserves	Retained Earnings	Total
	No of Ordinary shares	MMK	MMK	MMK	MMK
Balance as at March 31,2023	12,823,224	14,559,798,000	50,984,809	(696,374,251)	13,914,408,558
Prior year adjustment				1,490,473	1,490,473
Restated profit	12,823,224	14,559,798,000	50,984,809	(694,883,778)	13,915,899,031
Net Profit/(Loss) for the year				138,183,986	138,183,986
Other Comprehensive Income			10,395,000		10,395,000
Balance as at September 30,2023	12,823,224	14,559,798,000	61,379,809	(556,699,792)	14,064,478,017



Nang Lai Yi Soc
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 financial year ended

	1st interim FY (2023-24)	1st interim FY (2022-23)
	April '2023 to September'2023	April '2022 to September'2022
	MMK	MMK
Cash Flow from Operating activities		
Profit / (Loss) before Tax	166,486,730	(103,910,835)
Adjustments for non-cash items		
Prior year adjustment	1,490,473	11,297,757
Depreciation for the year	49,954,536	59,458,033
Disposal Loss	-	1,271,861
Interest income	(76,477,505)	(78,388,290)
Operating profit before working capital changes	141,454,234	(110,271,474)
Changes in Working Capital		
Inventories	(374,680,985)	(1,145,979,484)
Receivable From Project & Customer	234,912,366	(25,496,140)
Prepaid expenses	846,100,128	(807,015,863)
Bank Guarantee Deposit	(32,602,610)	(397,231,441)
Trade & other payable	(1,886,328,925)	(261,846,217)
Cash Flow from Operating activities	(1,071,145,792)	(2,747,840,619)
Prepaid Income & Commercial Tax	85,318,702	228,725,598
Provision - Income & Commercial Tax	(48,026,588)	(199,582,142)
Net cash provided by / (used in) Operating activities	(1,033,853,678)	(2,718,697,163)
Cash Flow from Investing activities		
Purchase of Property, plant & equipment	(14,147,500)	(70,569,100)
Proceeds From Property, plant & equipment	-	367,550
Investment Income	-	283,836,367
Interest Income	76,477,505	78,388,290
Net cash provided by / (used in) Investing activities	62,330,005	292,023,107
Cash Flow from Financing activities		
Net cash provided by / (used in) Financing activities		-
Net Increase / (decrease) in cash & cash equivalents	(971,523,673)	(2,426,674,056)
Cash & Cash equivalents at the beginning of the year	3,157,920,870	4,500,747,077
Cash & Cash equivalents at the end of the year	2,186,397,197	2,074,073,021

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. (18-A), Koh Min Koh Chin Road, Bahan Township, Yangon, Myanmar 11071.

The Financial Statements are expressed in Myanmar Kyat and relate to the year from 1, April 2023 to 30, September 2023.

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 25.5.2016.

The principal 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
- 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 included in the financial statements of the Company are measured using the currency of the 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. The actual result may differ from these estimates. Estimates 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 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 promised goods or services to the customers.

E. Key management personnel and director compensation

Directors are considered as key management personnel and the director's remuneration amounting to Ks 26,880,000 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 the 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.

P. Earnings Per Share

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

03. Other Investments	September 30,2023	September 30,2022
	MMK	MMK
FMI Share (11,550 share *8,900 ks)	102,795,000	110,880,000
Mineral Development Bank	100,000,000	100,000,000
	202,795,000	210,880,000
<hr/>		
04. Inventory - Prepaid Card	September 30,2023	September 30,2022
	MMK	MMK
Item Name		
Prepaid Card	2,793,078,720	2,902,445,760
Handset	27,000	27,000
E-Top Up	259,702,023	94,860,301
Sim Card (500 ks per 1 card)	17,625,000	3,630,000
Production - Raw Materials	72,852,978	
.	3,143,285,721	3,000,963,061
<hr/>		
05. Work-in-Process (Project)	September 30,2023	September 30,2022
	MMK	MMK
_IFM Project	25,921,662	30,251,734
_Fiber Project	533,203,653	768,579,962
_Other Project	961,930,737	1,149,654,465
	1,521,056,052	1,948,486,161
<hr/>		
06. Prepaid Expense	September 30,2023	September 30,2022
	MMK	MMK
Deposit to MPT- Mobile Money project	52,034,354	61,817,737
Advance for Office Use	41,450,000	218,850,000
Prepaid Expenses - Office Rental	75,310,000	116,209,382
Prepaid Expenses - Other	26,087,486	78,866,826
	194,881,840	475,743,945
<hr/>		

07. Trade & Receivable	September 30,2023	September 30,2022
	MMK	MMK
Receivable From Project		
- IFM Project	1,384,982,097	1,584,905,341
- Fiber Project		
- Mobile Project	403,287,322	315,502,426
- Other Project	122,260,440	70,245,000
Receivable From MPT	1,859,891,683	1,433,718,889
Receivable From Others	201,901	39,550,839
	3,770,623,443	3,443,922,495

08. Cash and Cash Equivalents	September 30,2023
	MMK
	Ex Rate - 1 USD = 2100
	Ks
Cash in Hand - Ks	58,050,703
Cash in Hand - \$	
Cash at bank - Ks	2,067,075,551
Cash at bank - \$	61,270,943
	-
	2,186,397,197

09. Trade & Other payable	September 30,2023	September 30,2022
	MMK	MMK
Accrued Expenses	6,095,130	97,027,759
Deferred Project Income	834,795,183	1,200,559,122
Payable to Sub-Contractor	32,198,070	273,935,397
Payable to Others	26,761,285	-
Payable for Staff Salary, Salary Income Tax	51,185,316	69,919,870
	951,034,984	1,641,442,148

	For the six-months period ended	For the six-months period ended
	September 30,2023	September 30,2022
	MMK	MMK
10. Revenue		
- IFM Project	966,332,304	957,744,882
- Fiber Project	8,239,660	2,019,081
- Mobile Project	397,533,643	575,562,318
- Other Project	1,965,242,383	178,825,353
	3,337,347,990	1,714,151,634
11. Cost of Goods Sold		
	For the six-months period ended	For the six-months period ended
	September 30,2023	September 30,2022
	MMK	MMK
Project - Expenses	2,242,892,516	805,075,124
Production Cost	35,849,435	59,326,983
	2,278,741,951	864,402,107
12. Administration Expenses		
	For the six-months period ended	For the six-months period ended
	September 30,2023	September 30,2022
	MMK	MMK
Travelling and related costs	14,553,029	11,401,125
Marketing Expenses	81,973,370	141,677,950
Employee Benefit Expenses	291,906,169	271,511,153
Utilities	190,255,878	173,767,485
Vehicle Rental & Convenience Expenses	113,241,517	114,715,987
Professional fees	19,300,000	33,000,000
Donation Charges	900,000	791,276
Depreciation of property, plant and equipment	49,954,536	59,458,033
Other Expenses	63,158,562	73,019,795
Office Rental	73,575,000	98,977,590
Renovation and maintenance expenses	29,240,300	16,420,750
	928,058,361	994,741,144

TMH Telecom Public Co.,Ltd										
Property, Plant & Equipment As at 30.09.2023										
	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, 2023	63,000,000	18,000,000	540,655,750	500,585,380	8,129,650	86,292,503	48,136,700	30,373,025	40,997,562	1,336,170,570
Addition						6,122,000		4,125,500	3,900,000	14,147,500
Disposal										-
At September 30,2023	63,000,000	18,000,000	540,655,750	500,585,380	8,129,650	92,414,503	48,136,700	34,498,525	44,897,562	1,350,318,070
Accumulated Depreciation										
At March 31, 2023	-	18,000,000	325,605,749	268,201,749	4,507,992	79,165,809	31,584,790	25,915,954	12,239,182	765,221,225
Addition			18,975,000	23,604,366	358,800	1,343,097	2,349,000	1,111,573	2,212,700	49,954,536
Disposal										-
At September 30,2023	-	18,000,000	344,580,749	291,806,115	4,866,792	80,508,906	33,933,790	27,027,527	14,451,882	815,175,761
Net Book Value										
At September 30,2023	63,000,000	-	196,075,001	208,779,265	3,262,858	11,905,597	14,202,910	7,470,998	30,445,680	535,142,309