



10/12/2024

TMH TELECOM PUBLIC COMPANY LIMITED
AUDITED FINANCIAL STATEMENT FOR THE
YEAR ENDED 30th September 2024

FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 September 2024

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STATEMENT OF THE DIRECTORS



We have general responsibilities to prepare the financial statements in accordance with the Myanmar Financial Reporting Standards. 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 2024 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. In addition, we complied with the requirements of section 146, 261 and 264 of the Myanmar Companies Law 2017



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



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



Building (6), Room (323), Kyaikkasan Housing, Marlarnwe Street, Tamwe Gyi (B) Ward, Tamwe Township, Yangon,
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Independent Auditor's Report

To the members of TMH Telecom Public Co., Ltd

Opinion

We have audited the financial statements of TMH Telecom Public Co., Ltd, which comprise the statement of financial position as at September 30, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **TMH Telecom Public Co., Ltd** as at September 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with Myanmar Financial Reporting Standards.

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 Organization 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.

Responsibilities of Management of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standard (MFRSs) and for such control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with MSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with MSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organizations' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the organization audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

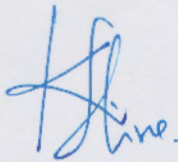
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- (i) we have obtained all the information and explanations we have required; and
- (ii) the financial records have been maintained by the Company as required by Section 258 of the Law.



Kay Khine Khine Linn
ICOP Sein Win and Associates Company Limited
Certified Public Accountant
13.12.2024



Daw Kay Khine Khine Linn
PPA-937
Certified Public Accountant

TMH Telecom Public Co., Ltd

Statement of Financial Position As at 30th September, 2024

		1st interim FY (2024-25)	1st interim FY (2023-24)
		April '2024 to September'2024	April '2023 to September'2023
	Note	MMK	MMK
Assets			
Non-Current Assets			
Property, Plant & Equipment	Sche-1	1,566,834,123	535,142,309
Other Investments	3	200,485,000	202,795,000
Investment in Associates		1,718,646,568	1,628,727,147
Investment in Project		60,500,000	60,500,000
		3,546,465,691	2,427,164,456
Current Assets			
Inventory – Prepaid Card	4	1,605,683,415	3,143,285,721
Inventory – Project			1,007,873,716
Work-in-Process (Project)	5	747,971,897	1,521,056,052
Prepaid Expense	6	859,080,406	194,881,840
Tender & Bank Guarantee Deposit		870,469,410	825,311,130
Prepaid – Income and Commercial Tax		484,832,383	134,089,590
Trade & Receivable	7	4,020,714,094	3,770,623,443
Cash_and_Cash_Equivalents	8	3,091,621,024	2,186,397,197
		11,680,372,629	12,783,518,689
Total Assets		15,226,838,320	15,210,683,145
Equity & Liabilities			
Paid Up Capital		14,559,798,000	14,559,798,000
Other Reserve		151,098,812	61,379,809
Retained Earnings		(590,277,258)	(696,374,251)
Retained Earnings-Adj			1,490,473
Net Profit for The Year		(641,610,541)	138,183,986
		13,479,009,013	14,064,478,017
Current Liabilities			
Trade & Other Payable	9	1,267,851,743	951,034,984
Provision – Income tax		21,857,516	28,302,744
Provision – Commercial Tax		458,120,048	166,867,400
		1,747,829,307	1,146,205,128
Total Equity & Liabilities		15,226,838,320	15,210,683,145

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 period ended 30th September, 2024

	Note	1st interim FY (2024-25)	1st interim FY (2023-24)
		April '2024 to September'2024	April '2023 to September'2023
		MMK	MMK
Revenue	10	1,923,415,318	3,337,347,990
Cost of Goods Sold	11	(1,785,949,200)	(2,278,741,951)
Gross Profit		137,466,118	1,058,606,039
Other Income		279,687,833	102,672,612
Expenses			
Selling & Distribution Expense		(4,086,564)	(66,733,561)
Administration Expense	12	(1,054,677,928)	(928,058,360)
Profit before Tax		(641,610,541)	166,486,731
Tax Expense			(28,302,744)
Net Profit after Tax		(641,610,541)	138,183,987
Other Comprehensive Income for the Year			
Fair value adjustment of Investments		(1,155,000)	10,395,000
Total Comprehensive Income for the Year		(642,765,541)	148,578,987
Earning Per Share			
Basic EPS (MMK)		-	11

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TMH Telecom Public Co., Ltd.


Thina Lwin
Managing Director
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TMH Telecom Public Co.,Ltd

Statement of Changes in Equity for the financial period ended 30th September,2024

	Share Capital		Reserves	Retained Earnings	Total
	No of Ordinary shares	MMK	MMK	MMK	MMK
Balance as at April 1, 2024	12,823,224	14,559,798,000	152,253,812	(590,277,258)	14,121,774,554
Prior year adjustment					-
Restated profit	12,823,224	14,559,798,000	152,253,812	(590,277,258)	14,121,774,554
Net Profit / (Loss) for the year				(641,610,541)	(641,610,541)
Other Comprehensive Income			(1,155,000)		(1,155,000)
Balance as at September 30,2024	12,823,224	14,559,798,000	151,098,812	(1,231,887,799)	13,479,009,013



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



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

TMH Telecom Public Co., Ltd

Statement of Cash Flows for the financial period ended

	1st interim FY (2024–25)	1st interim FY (2023–24)
	April'24 to Sept'24	April'23 to Sept'23
Cash Flow from Operating activities		
Profit / (Loss) before Tax	(641,610,541)	166,486,730
Adjustments for non-cash items		
Prior year adjustment	-	1,490,473
Depreciation for the year	54,325,065	49,954,536
Interest income	(103,480,014)	(76,477,505)
Operating profit before working capital changes	(690,765,490)	141,454,234
Changes in Working Capital		
Inventories	140,322,295	(374,680,985)
Receivable From Project & Customer	(551,681,072)	234,912,366
Prepaid expenses	(557,542,633)	846,100,128
Bank Guarantee Deposit	(45,158,280)	(32,602,610)
Trade & other payable	391,906,864	(1,886,328,925)
Cash Flow from Operating activities	(1,312,918,316)	(1,071,145,792)
Prepaid Income & Commercial Tax	(155,454,223)	85,318,702
Provision - Income & Commercial Tax	96,170,765	(48,026,588)
Net cash provided by / (used in) Operating activities	(1,372,201,774)	(1,033,853,678)
Cash Flow from Investing activities		
Purchase of Property, plant & equipment	(23,491,900)	(14,147,500)
Interest Income	103,480,014	76,477,505
Net cash provided by / (used in) Investing activities	79,988,114	62,330,005
Cash Flow from Financing activities		
Net cash provided by / (used in) Financing activities		
Net Increase / (decrease) in cash & cash equivalents	(1,292,213,660)	(971,523,673)
Cash & Cash equivalents at the beginning of the year	4,383,834,684	3,157,920,870
Cash & Cash equivalents at the end of the year	3,091,621,024	2,186,397,197


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


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

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 2024 to 31, September 2024.

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 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 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 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. 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%

F. 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

G. 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.

H. 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.

I. 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.

J. 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.

K. 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.

L. 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.

M. 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.

N. 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.

O. 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. Other Investments

	September 30, 2024	September 30, 2023
	MMK	MMK
FMI Share	100,485,000	102,795,000
Mineral Development Bank	100,000,000	100,000,000
	<u>200,485,000</u>	<u>202,795,000</u>

4.Inventory – Prepaid Card

Item Name	September 30,2024	September 30,2023
	MMK	MMK
Prepaid	1,411,845,120	2,793,078,720
E-Top Up	161,420,407	259,702,023
Sim Card	1,626,000	17,625,000
Production – Raw Materials	30,791,887	72,879,978
	1,605,683,415	3,143,285,721

5. Work-in-Process (Project)

	September 30,2024	September 30,2023
	MMK	MMK
_IFM Project	36,821,074	25,921,662
_Fiber Project	572,460,574	533,203,653
_Other Project	138,690,249	961,930,737
	747,971,897	1521,056,052

6. Prepaid Expense

	September 30,2024	September 30,2023
	MMK	MMK
Deposit to MPT- Security Deposit (MPT)	10,000,298	52,034,354
Advance for Office Use	764,732,990	41,450,000
Prepaid Expenses – Office Rental	73,390,000	75,310,000
Prepaid Expenses – Other	10,957,118	26,087,486
	859,080,406	194,881,840

7.Trade & Receivable

	<u>September 30,2024</u>	<u>September 30,2023</u>
	MMK	MMK
Receivable From Project		
- IFM Project	586,873,493	1,384,982,097
- Mobile Project	426,838,771	403,287,322
- Other Project	1,166,361,593	122,260,440
Receivable From MPT	2,101,083,727	1,859,891,683
Receivable From Others	25,006,793	201,901
Allowance for Doubtful debts	(285,450,284)	-
	<u>4,020,714,094</u>	<u>3,770,623,443</u>

8. Cash and Cash Equivalents

	<u>September 30,2024</u>	<u>September 30,2023</u>
	MMK	MMK
Cash In Hand - Ks	45,780,719	58,050,703
Cash In bank - Ks	3,043,546,895	2,067,075,551
Cash In bank - \$(Ex Rate=1 USD=2100 Ks)	2,293,410	61,270,943
	<u>3,091,621,024</u>	<u>2,186,397,197</u>

9.Trade & Other payable

	<u>September 30,2024</u>	<u>September 30,2023</u>
	MMK	MMK
Accrued Expenses	12,566,422	6,095,130
Deferred Project Income	692,163,395	834,795,183
Payable to Sub-Contractor	127,174,248	32,198,070
Payable to Others	313,173,552	26,761,285
Payable to MD	50,000,000	-
Payable for Staff Salary, Salary Income Tax	72,774,127	51,185,316
	<u>1,267,851,743</u>	<u>951,034,984</u>

10.Revenue

	<u>September 30,2024</u>	<u>September 30,2023</u>
	MMK	MMK
- IFM Project	1,169,409,041	966,332,304
- Fiber Project		8,239,660
- Mobile Project	195,999,124	397,533,643
- Other Project	558,007,152	1,965,242,383
	<u>1,923,415,318</u>	<u>3,337,347,990</u>

11.Cost of Goods Sold

	<u>September 30,2024</u>	<u>September 30,2023</u>
	MMK	MMK
Project – Expense	1,767,787,030	2,242,892,516
Production Cost	18,162,170	35,849,435
	<u>1,785,949,200</u>	<u>2,278,741,951</u>

12.Administration Expense

	<u>September 30,2024</u>	<u>September 30,2023</u>
	MMK	MMK
Travelling and related costs	23,727,654	14,553,028
Marketing Expenses	55,206,076	81,973,370
Employee Benefit Expenses	319,880,902	291,906,169
Utilities	257,661,052	190,255,878
Vehicle Rental & Convenience Expense	116,199,821	113,241,517
Professional fees	19,800,000	19,300,000
Donation Charges	9,530,075	900,000
Depreciation of property, plant and equipment	54,325,065	49,954,536
Other Expense	75,273,760	63,158,562
Office Rental	74,489,666	73,575,000
Renovation and maintenance expenses	48,583,857	29,240,300
	<u>1,054,677,928</u>	<u>928,058,360</u>

TMH Telecom Public Co.,Ltd										
Property, Plant & Equipment As at 30.09.2024										
	Land	Factory Building	Machinery & Accessories	Vehicle	Office Equipment	Computer & Printer	Furniture & Fixture	Electrical Equipment	Tools & Project	Total
	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK	MMK
Cost										
At April 1, 2024	63,000,000	18,000,000	540,655,750	591,374,980	8,440,150	92,414,503	48,320,700	35,678,025	46,397,562	1,444,281,670
Addition					709,900	925,000		1,060,000	1,028,670,716	1,031,365,616
At September 30,2024	63,000,000	18,000,000	540,655,750	591,374,980	9,150,050	93,339,503	48,320,700	36,738,025	1,075,068,278	2,475,647,286
Accumulated Depreciation										
At April 1, 2024	-	18,000,000	363,555,749	304,401,615	5,230,792	82,016,206	36,301,190	28,210,464	16,772,082	854,488,098
Addition			18,975,000	27,094,200	389,200	1,520,199	2,459,400	1,184,966	2,702,100	54,325,065
At September 30,2024	-	18,000,000	382,530,749	331,495,815	5,619,992	83,536,405	38,760,590	29,395,430	19,474,182	908,813,163
Net Book Value										
At September 30,2024	63,000,000	-	158,125,001	259,879,165	3,530,058	9,803,098	9,560,110	7,342,595	1,055,594,096	1,566,834,123