MYANMAR STRATEGIC HOLDINGS

ANNUAL REPORT 2019/2020

Developing people and businesses in ASEAN



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STRATEGIC REPORT

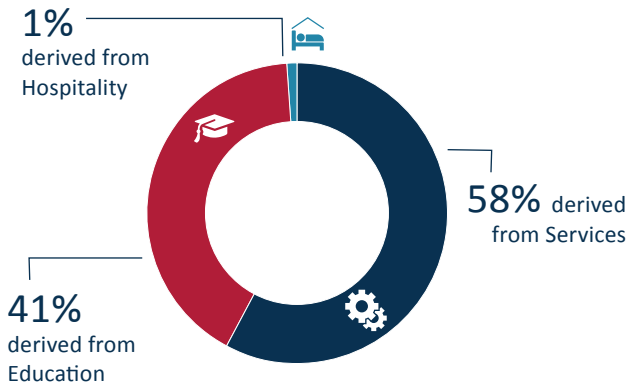
FINANCIAL HIGHLIGHTS

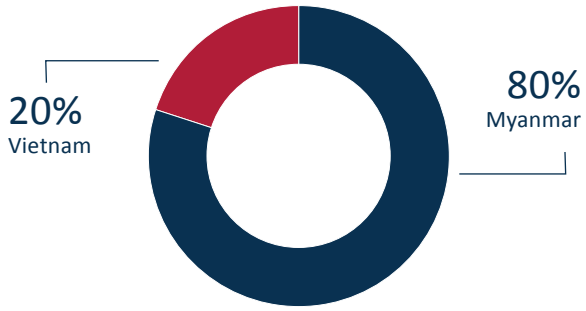
All dates for the reporting period refer to the 18-month financial period ended 30 September 2020 ("FPE2020"), unless otherwise stated. The comparative period refers to the 12-month financial year ended 31 March 2019 ("2019"). The period on period ("POP") growth or decline refers to any change that occurred between FPE2020 and 2019.

- Group revenues for FPE2020 increased 130% vs. 2019 to US$10.2 million, of which 58% derived from Services, 41% from Education and 1% from Hospitality.
- The Group expanded into the education sector in Vietnam, following the successful acquisition of Wall Street English Vietnam ("WSE Vietnam"), the leading provider of adult English language training. Since the completion of its acquisition on 14 July 2020, WSE Vietnam has generated revenues to the Group of ca. US$2.0 million.
- Adjusted EBITDA loss was US$4.2 million, primarily due to the losses incurred within Yangon American and the impact of the Covid-19 pandemic across the Group.
- Net loss for the financial period widened to US$8.7 million (2019: US$2.5 million). This included ca. US$3.4 million loss allowances on trade and other receivables and US$0.2 million in transaction costs for the acquisition of WSE Vietnam.
- Net comprehensive loss for the period was US$8.9 million (2019: US$2.5 million).
- Underlying revenues, an indicator of the volume of business generated by the managed and owned businesses, increased 102% vs. 2019 to ca. US$14.7 million of which 40% derived from Services, 53% from Education and 7% derived from Hospitality.
- The Company issued 326,879 new shares at a price of US$20 per share for a cumulative value of US$6.5 million as part of its share issuance programme announced in May 2020. The majority of these funds were raised in conjunction with the acquisition of WSE Vietnam and have supported the working capital requirements of the Group as well as the acquisition of a minority stake in Myanmar Investments International Limited ("MIL") in September 2020.
- The Covid-19 pandemic has significantly affected the Group resulting in (i) the temporary closure of in-person operations across both its Education and Hospitality divisions and (ii) higher operating costs in its Services division. The global Covid-19 situation remains very fluid and the Group cannot reasonably project the full extent of the Covid-19 impact going forward.
- The state of emergency, declared by the Myanmar military in February 2021, is also expected to further impact the operational and financial prospects of the Group in Myanmar. As at the date of this report, the state of emergency remains in place and management cannot fully project the full extent on the Group's operating and financial performance going forward. At the date of this report all boutique hostels are closed while the Group's education businesses in Myanmar are selling and delivering educational content online. The diversification of the Group's operations between Myanmar and Vietnam should help mitigate the overall Covid-19 and single-country exposure of the Group.
- The Company maintains a loan facility of up to US$7.0 million with MACAN, the former immediate holding company, and has drawn down US$4.5 million at the date of this report (US$3.0 million as at 30 September 2020). Management believes that the Group has enough liquidity for its working capital requirements for the next 12 months from the date of this report given the additional headroom offered by the loan facility.
- Additional details are provided in the Financial Review.

130% increase in group revenues vs. 2019 to

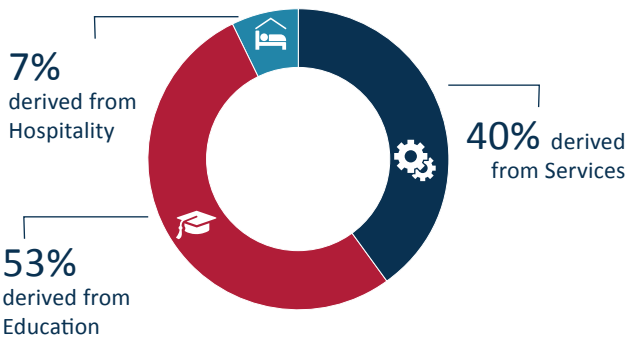
US$10.2 million





102% increase in underlying revenues of managed and owned businesses vs. 2019 to

US$14.7 million



STRATEGIC REPORT

OPERATIONAL HIGHLIGHTS

EDUCATION

- Group revenues from the management of the education businesses for FPE2020 were US$1.5 million (2019: US$0.9 million).
- Group revenues from owned education businesses for FPE2020 were US$2.6 million (2019: Nil).
- Through its Education division, the Group is currently active in (i) English language learning (Wall Street English), (ii) higher education (Auston College Myanmar) and (iii) K-12 international school (Yangon American International School).
- Following the acquisition of Wall Street English Vietnam in July 2020, the Group manages 11 retail Wall Street English ("WSE") language centres and one corporate centre. As at 30 September 2020, WSE served ca. 8,000 registered students across its retail and corporate centres and has established itself as a leading private adult English language education provider in its markets.
- The Group continues to seek opportunities to expand the WSE franchise as it holds the exclusive rights to develop a further six WSE retail centres (up to a total of ten) in Myanmar over the next six years.
- Within its higher education portfolio, MSH manages Auston University Myanmar ("Auston"), a private school offering foundation and diploma programmes in engineering. The maiden campus opened in Yangon in May 2018, spans over three floors and covers 700 sqm. Auston has also entered a partnership with the Liverpool John Moores University ("LJMU") to provide high quality engineering training programmes in Myanmar.
- Finally, MSH owns and operates the Yangon American International School ("Yangon American"), a Myanmar Investment Commission-approved international school operating on a campus of over 3,000 sqm. Its planned capacity is 400 students and its enrolment for academic year 2020-2021 was ca. 70 students.
- During FPE2020, the education businesses generated underlying revenues of US$7.8 million (2019: US$2.6 million).

SERVICES

- Group revenues from its services businesses for FPE2020 were US$5.9 million.
- Through its Services division, the Group provides a range of integrated security, risk management, journey management and cash in transit services under the EXERA brand.
- Acquired by the Group in May 2018, EXERA is an internationally managed provider of security and risk management services, operating exclusively in Myanmar.
- With an experienced workforce of over ca. 1,300 security officers as at 30 September 2020, EXERA provides guarding, protective services, transportation, training, and nationwide risk consulting, to a wide range of international and local clients.
- Its customer base includes multi-national corporations, large oil and gas companies, established local businesses and governmental bodies and international organisations such as WFP, UNHCR, UNICEF, the Embassy of the Republic of Singapore and the EU mission.
- EXERA follows international process standards like ISO 9001, OHSAS 18000, and ANSI/ASIS PSC 1, and is the only company in Myanmar accredited to the ISO 18788 Management System for Private Security Operations.







STRATEGIC REPORT

OPERATIONAL HIGHLIGHTS

HOSPITALITY

- Management and technical assistance fees to the Group for the period were US$135,000 (2019: US$105,000). The low level of fees was due to a continued decline in tourist arrivals in Myanmar linked to (i) the political uncertainty and conflict in Rakhine State and (ii) the Covid-19-related travel restrictions imposed globally since February 2020.
- Under its Hospitality division, the Group manages four boutique hostels across three of the most popular tourist destinations in Myanmar. Following the opening of its fourth boutique hostel, Ostello Bello Bagan Pool, the Group raised the number of beds under management to 474, spread over 108 rooms in four locations across Bagan, Mandalay and Nyaung Shwe.
- During FPE2020, the number of beds sold amounted to 61,923 (2019: 65,763) and the underlying revenues of the Group's managed businesses were US$1.0 million (2019: US$1.2 million).
- The Group's main focus is to maintain a strong operating performance and generate operational synergies to offset the currently challenging operating environment in the Myanmar tourism sector.
- In July 2019, Bagan was approved for inclusion on UNESCO's World Heritage List. This strong vote of confidence was expected to drive an increase in overall tourism inflows. However, both the Covid-19 restrictions and the state of emergency declared in February 2021 will severely impact the prospects of Myanmar's tourism sector in the short to medium term.
- Management maintains a positive outlook on the long-term prospects of the Myanmar tourism sector as demonstrated by the successful development of the tourism sector in neighbouring countries.

OTHERS AND NEW BUSINESS DEVELOPMENT

MSH continues to develop its business network and expand its pipeline within the Company's existing sectors (e.g. Services, Education and Hospitality) and new sectors (e.g. Technology). As the Group gradually builds a stronger presence on-the-ground in Vietnam, more opportunities to diversify the Group's geographical revenue mix may arise.

Management will also routinely conduct in-depth studies of new sectors (e.g. Healthcare, Retail and Financial Services) and determine whether to allocate additional human and financial resources to selected initiatives.

The Group's minority investments include:

- NEXLABS: in May 2018, MSH agreed to a strategic minority investment of US$150,000 in NEXLABS, one of Myanmar's leading digital consulting firms. The firm was founded in 2013 in Yangon by Ye Myat Min, one of Forbes Asia's 30 under 30 in 2016 and employs over 80 experienced professionals. In 2020, NEXLABS won the Silver award as Digital Agency of the Year (Cambodia, Laos and Myanmar) and Bronze award as Creative Agency of the Year (Cambodia, Laos and Myanmar).
- MYANMAR INVESTMENTS INTERNATIONAL LIMITED ("MIL"): in September 2020, further to MSH's proposal suggesting a combination of MSH and MIL, MSH opted to purchase a minority stake of 897,500 shares in MIL at an average price of US$0.68 per MIL ordinary shares for a total consideration of US$0.61 million, of which US$0.46 million was satisfied in cash and US$0.16 million through the issuance of 7,629 new MSH shares.
  MIL is an AIM-quoted Myanmar-focused investment company with investments in the telecommunications and financial sectors.



STRATEGIC REPORT

POST PERIOD END EVENTS

STATE OF EMERGENCY

- On 1 February 2021, the Myanmar military announced that it had declared a state of emergency for a period of up to one year.
- The announcement stated that the Commander-in-Chief of the Defence Services, Min Aung Hlaing, shall be in power for the duration of the state of emergency, while Vice President U Myint Shwe shall serve temporarily as President.
- It was reported in the Myanmar Times that, early on 1 February 2021, State Counsellor Daw Aung San Suu Kyi, President U Win Myint and other National League for Democracy ("NLD") officials across the country were detained by the military, ahead of the first parliamentary sessions, scheduled to take place later in the day. On 1 February 2021, Aung San Suu Kyi was arrested and the military declared state of emergency for a year, handing power to Senior General Min Aung Hlaing.
- From a business perspective, the Group's schools will continue to deliver their education services online and offline while its security services company will remain key to safeguarding embassies, NGOs and national infrastructure. The Company's Ostello Bello boutique hostels remain closed, pursuant to the active Covid-19 restrictions in Myanmar.
- As Myanmar's state of emergency remains in place as at the date of issuance of these financial statements, the Group cannot reasonably project the full extent of the probable impact of the state of emergency disruptions on its operating and financial performance for the financial year ending 30 September 2021.
- It is worth noting that, further to the acquisition of Wall Street English Vietnam completed in July 2020, more than 50% of MSH's revenues on an annualised run-rate basis are now generated in Vietnam, providing diversification to MSH's shareholders and mitigating the legacy single-country exposure of the Group.
- The Directors and management of MSH remain very concerned about the violence and casualties among the demonstrators in Myanmar and condemn, to the greatest extent, the use of lethal force against peaceful protesters.
- The Company continues to closely monitor the situation and will provide further updates as appropriate.

EXTRAORDINARY GENERAL MEETING

- On 2 December 2020, the Company held an Extraordinary General Meeting to approve two resolutions. In relation to the first resolution, the Directors sought to update the Company's constitution so that any references to the AIM Market operated by the London Stock Exchange ("LSE") are removed and to ensure that the necessary amendments to reflect that the Company is listed on the Main Market of the LSE are included. In relation to the second resolution, there was a proposed increase in Directors' fees. Both resolutions were approved unanimously.

MYANMAR MACROECONOMIC AND POLITICAL HIGHLIGHTS

- The World Bank projects global economic output to expand 4% in 2021, well below its pre-pandemic trend. The global economic recovery from the pandemic is projected to be slow due to the lockdowns implemented across the various regions and countries.
- The World Bank expects Myanmar's economy to contract by 10% in 2020/21 due to the economic disruptions caused by the pandemic and the political turmoil. However, the medium-term growth prospects are positive. Due to new investments in urban development projects, road and urban infrastructure, growth is projected to recover to 7% on average in the coming years.
- According to the Asian Development bank, Myanmar's GDP is expected to grow 1.8% in 2020 and 6.0% in 2021, while core inflation is expected to remain stable at 6.0% in both 2020 and 2021.
- In April 2020, the government of Myanmar launched its Covid-19 Economic Relief Plan ("CERP"). The CERP comprises 7 goals, 10 strategies, 36 action plans and 76 actions, each with an estimated timeline and designated authority in charge, covering a range of fiscal and social measures. The government of Myanmar expects the CERP to cost at least US$2.0 billion which will be funded by the re-allocated budget and foreign aid. Management does not envisage any significant financial impact on the Group linked to the CERP as the plan is mainly directed at small and medium enterprises ("SMEs") in Myanmar.
- In April 2020, the Myanmar government launched a significant loan programme with reduced interest rate provided for SMEs as a part of the CERP. The Myanmar Economic Bank (MEB) and the Myanmar Agriculture Development Bank (MADB) merger process is also paving the way for consolidation of the state-owned banks. The insurance sector has been liberalised by allowing foreign insurers to offer life insurance products and to buy stakes in local insurance companies. Moreover, the Central Bank of Myanmar (CBM) has set up a clear timeline for the local banks to enter the transition to International Reporting Standards (IFRS) regulations by the end of the fiscal year 2023.
- Travel restrictions due to the pandemic continue to be updated monthly and remain in place at the date of this report. International tourism arrivals are temporarily suspended, together with any visas on arrivals.
- Democratic elections were completed in November 2020 with a landslide victory for Aung San Suu Kyi's National League for Democracy ("NLD"). Over the course of December 2020 and January 2021 The Union Solidarity and Development Party ("USDP") alleged voter fraud and challenged the result of the election.
- As at the date of this report the military remains in power.

STRATEGIC REPORT

CHAIRMAN'S STATEMENT



STRATEGY

Myanmar Strategic Holdings' vision is to become a leading developer and manager of consumer businesses while maintaining an asset light strategy.

Since the Company's inception, our focus has been on building committed and experienced management teams capable of starting and growing businesses, while benefiting from the growth of ASEAN economies. While the Group's Hospitality operations have been severely affected by the Covid-19 pandemic, I am very pleased to report that the Education and Service businesses that we manage and operate are in their expansion phase and are generating synergies across the respective products and divisions. We are confident that our growth will continue both organically and through acquisitions.

Focused diversification is and will remain at the core of our strategy as it allows MSH to stabilise its expected growth while simultaneously capitalising on the opportunities currently available in Myanmar and neighbouring markets. In line with this strategy, in May 2018 MSH concluded the acquisition of EXERA, one of Myanmar's leading providers of security and risk management services, and in July 2020 concluded the acquisition of Wall Street English Vietnam, the leading adult English language learning provider in Vietnam.

While the 2020 global pandemic has presented and continues to present significant challenges to the Group, the transformational acquisition of WSE Vietnam is a key strategic milestone for MSH as it provides geographical diversification and exposure to one of the most attractive and fast-growing markets in ASEAN. Over the course of the next 12 months, MSH will focus on reorganising WSE Vietnam's operations and building solid foundations to capitalise on its presence in Vietnam. With MSH's successful growth of the WSE brand in Myanmar to date, we are confident in our ability to leverage synergies to pursue similar growth in Vietnam.

BOARD'S RESPONSIBILITY

The Board is fully aware of its responsibility to ensure that all of our businesses operate in a manner that reflects our corporate and social responsibility to all of our stakeholders. We target sectors that positively contribute to the overall development of the countries in which we operate, enabling jobs and alleviating poverty, and within these sectors we aim to build businesses that embody the best terms of business, environmental, social and governance practices.

The recent political upheaval has once again brought to light the importance of responsible business dealings. Since its inception, the Group has not worked with individuals or companies who, at any time, have been sanctioned. Before engaging with any customer, the Group conducts extensive diligence checks on the counterpart's activities, ownership and business associates. Group-wide know-your-client ("KYC") and anti-bribery trainings are conducted routinely and for all new employees.

Throughout the Covid-19 pandemic, our team remained on the ground in Myanmar and implemented several initiatives aimed at containing the potential spread while continuing to successfully service our customers across ca. 170 sites. Furthermore, MSH's Management facilitated the sharing of best practices and medical knowledge between Myanmar's front-line medical personnel and an international task force composed of Italian and American doctors.

Certain employees agreed to voluntary reductions in salaries to support the Group's businesses and protect the surrounding communities. I am proud that the disruption to our employees' livelihood was limited.

The pandemic has presented an opportunity to improve our systems and processes and digitalise our infrastructure to facilitate the ability for employees to work from home. Throughout 2020 and until the date of this report most of our non-essential employees in Myanmar have been working and teaching from home, ensuring continuity of service throughout very challenging times.

The Board and the Group's Management actively promote sustainability and diversity as we believe it is a core strategic advantage that will enable the Group to maintain its leading competitive position in the future. Equal opportunities are promoted across the Group and we are proud to report that female representation across our workforce is over 60% (excluding EXERA's security officers).

Training programmes are being implemented across the Group to foster an environment where talent can emerge and flourish. We are proud to report that the local workforce represents over 95% of MSH's workforce.

REPORTING PERIOD

As announced on 23 March 2020, to conform with the need to change and align the Company's year-end with the new Myanmar government mandated year end of 30 September, the Company issued six-month interim accounts for the period to 30 September 2019 (announced on 18 December 2019) and six-month interim accounts for the period to 31 March 2020 (announced on 29 June 2020).

Therefore, this report with a full audited set of financial statements comprises the 18-month period from 1 April 2019 (the last full audited set of financial statements) to 30 September 2020. The comparative period refers to the financial year ended 31 March 2019.

OUTLOOK

In FPE2020, MSH focused on (i) the growth of its education division, both organically and through the acquisition of WSE Vietnam, (ii) the strengthening of EXERA and (iii) the improvement of systems, processes and organisational structures across the Group.

To support these changes, key appointments have been made across the organisation, including Jonathan Kolb as Chief Financial Officer, Alain Thibault as Chief Operating Officer, Michael Hall as Group Chief Human Resources Officer and Anurag Sharma as General Counsel.

The expansion of our business portfolio and the growth of our management team has resulted in the widening of the Group's net losses. This trend may revert in 2020/2021 driven by (i) the successful reorganisation of Wall Street English Vietnam, (ii) a peaceful evolution from Myanmar's state of emergency and (iii) a gradual recovery from Covid-19 and the related restrictions.

Subject to further developments in Myanmar's democratic transition, MSH intends to further grow its influence in Myanmar by adding complementary products (e.g. English for children) and capabilities (e.g. facilities management) to MSH's portfolio.

While we are acutely aware of its complex political and social environment, we continue to maintain an optimistic stance on Myanmar's economic prospects, and we aim to contribute to its positive development as a responsible investor in the region. As Myanmar's economy continues to develop, Management will increasingly focus on businesses targeting the population's primary needs such as education, security and healthcare.

MSH's management has gained valuable knowledge and experience as a result of the adversities faced in 2020 and I can confidently claim that Myanmar Strategic Holdings is building one of the most committed and aligned management teams in Myanmar and now in Vietnam.

This will enable us to evaluate and approach investment opportunities with a unique strategic and data-driven angle, leveraging groupwide capabilities and further differentiating MSH from the other providers of capital and / or technical expertise in those countries.

Our management depth will also enable the Group to evaluate its involvement in minority investment opportunities in which it could play a significant role as a strategic shareholder. As local companies evolve, the Board expects more sophisticated and structured companies to approach the market looking for strategic investors.

In 2020, we further diversified our shareholder base, welcoming Verlinvest S.A. as a key shareholder in Myanmar Strategic Holdings. We are grateful that we benefit from an investor base of committed long-term shareholders who have significant experience in investing in emerging markets and appreciate the long-term prospects of the Company and the countries in which we operate.

The Board would like to take this opportunity to thank our shareholders, for their continued support and encouragement, and our staff, partners and customers for their relentless commitment, effort and support throughout these unprecedented times.



RICHARD GREER
Independent Non-executive Chairman
30 March 2021

STRATEGIC REPORT

COMPANY OVERVIEW: MYANMAR

EDUCATION (SINCE 2H'16)

WSE – JUNCTION SQUARE (YANGON)
- Launch date: Feb'17
- Size: 800 sqm
- Capacity: 1,100+

WSE – CITY MALL ST. JOHN (YANGON)
- Launch date: Dec'17
- Size: 600 sqm
- Capacity: 900+

WSE - MYANMAR PLAZA (YANGON)
- Launch date: Aug'18
- Size 350 sqm
- Capacity: 600+

WSE - MINGALAR MANDALAY (MANDALAY)
- Launch date: Feb'20
- Size: 550 sqm
- Capacity: 800+

AUSTON COLLEGE (YANGON)
- Launch date: May'18
- Strategic collaboration with Auston Institute of Management

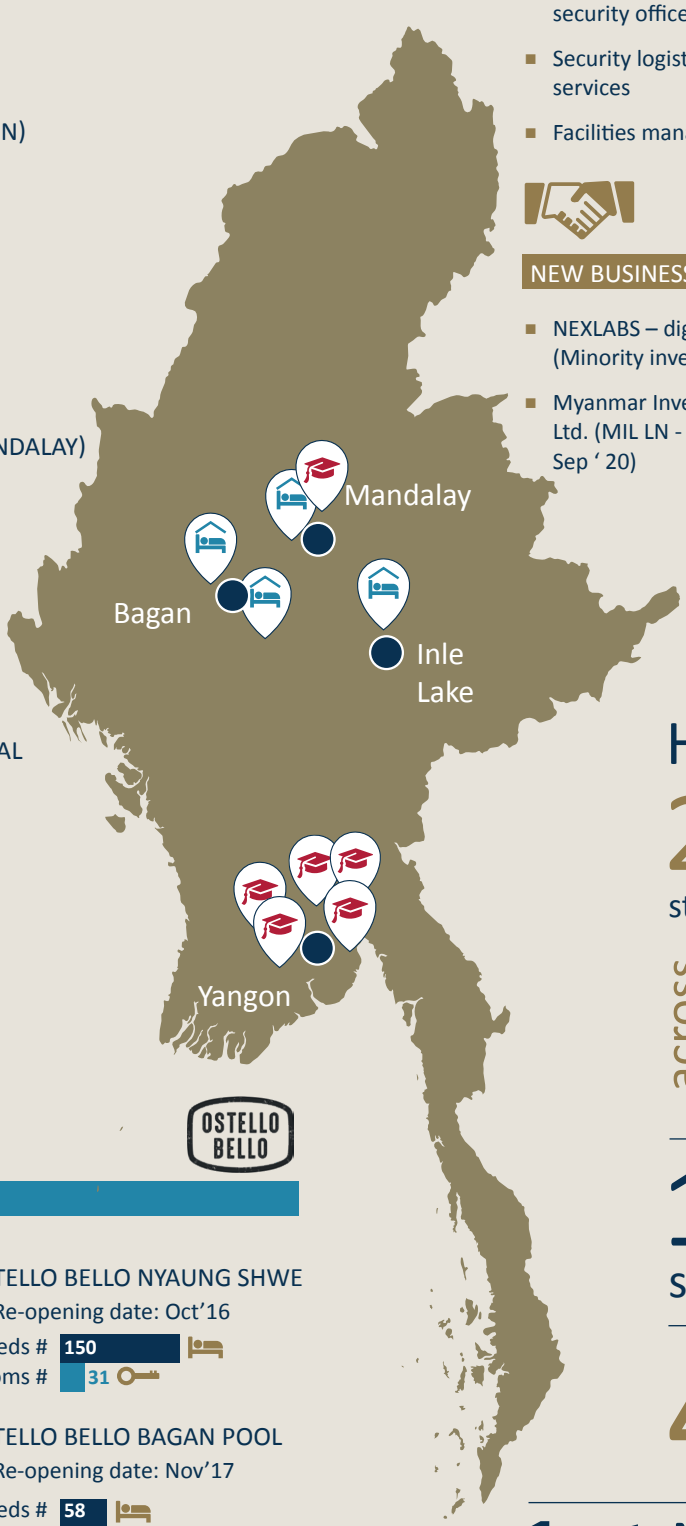
YANGON AMERICAN INTERNATIONAL SCHOOL (YANGON)
- Launch date: Jun'19
- MIC approval: Apr'19
- Private K-12 international school

SERVICES (ACQUIRED IN 1H'18)

- Manned guarding services: 1,300+ security officers across 170 sites
- Security logistics and cash in transit services
- Facilities management

NEW BUSINESS DEVELOPMENT

- NEXLABS – digital consultancy firm (Minority investment, May'18)
- Myanmar Investments International Ltd. (MIL LN - Minority investment, Sep ' 20)



HOSPITALITY (SINCE 2H'14)

OSTELLO BELLO BAGAN
- Re-opening date: Dec'14

Beds # 112
Rooms # 27

OSTELLO BELLO NYAUNG SHWE
- Re-opening date: Oct'16

Beds # 150
Rooms # 31

OSTELLO BELLO MANDALAY
- Re-opening date: Jul'16

Beds # 154
Rooms # 37

OSTELLO BELLO BAGAN POOL
- Re-opening date: Nov'17

Beds # 58
Rooms # 13

HIGHLIGHTS

2,000+ students as at Sep '20

across **4** English language centres

1,300+ security officers

4 boutique hostels

1st Myanmar firm listed on LSE Main Market

STRATEGIC REPORT

COMPANY OVERVIEW: VIETNAM

EDUCATION (ACQUIRED IN 2H'20)

WSE – LQD, D3 (HCMC)
- Launch date: May'13
- Size: 3,000 sqm
- Capacity: 1,500+

WSE – CH, TANH BINH (HCMC)
- Launch date: Mar'14
- Size: 1,100 sqm
- Capacity: 1,100+

WSE – HV, D5 (HCMC)
- Launch date: Aug'14
- Size: 900 sqm
- Capacity: 1,000+

WSE – VIVO, D7 (HCMC)
- Launch date: Apr'15
- Size: 1,100 sqm
- Capacity: 1,100+

WSE – VTD, THAO DIEN (HCMC)
- Launch date: Apr'16
- Size: 900 sqm
- Capacity: 1,000+

WSE – VGV, GO VAP (HCMC)
- Launch date: Aug'16
- Size: 900 sqm
- Capacity: 1,000+

WSE – BDD (BINH DUONG)
- Launch date: Feb'19
- Size: 700 sqm
- Capacity: 900+

HIGHLIGHTS

6,000+

students as at Sep '20

across **7** English language centres



REVIEW OF OPERATIONS

FOCUS ON EDUCATION

8,000+ STUDENTS ACROSS TWO ASEAN COUNTRIES



The Group's objective is to become one of the leading private operators of educational institutions in ASEAN through the identification of opportunities and expansion in the sector, focusing initially on English language learning and higher education.

Within its Education division, the Group is currently active in (i) English language learning (Wall Street English), (ii) higher education (Auston College) and (iii) K-12 international school (Yangon American International School).

The Group generates revenues through management fees, technical assistance fees, royalty fees and other one-off fees ("Fees to the Group") from the operations it manages. These fees are variable in nature and typically linked to the operating performance and, ultimately, the revenue generation of the underlying managed operations (hereby reported as "Underlying Revenues").

Furthermore, the Group generates student revenues from the businesses it owns and operates. These fees are typically variable depending on the type / duration of services purchased by the customer. All student fees for Yangon American and WSE Vietnam are reported as revenues of the Group.

Wall Street English Myanmar

During FPE2020, Wall Street English Myanmar ("WSE Myanmar") managed four English language retail centres and one corporate centre under the well-established Wall Street English brand. As at 30 September 2020, total registered students amounted to ca. 2,000.

The flagship WSE centre opened in Yangon at the Junction Square Shopping Centre in February 2017 and spans five floors over 800 sqm. The second WSE centre opened in Yangon at City Mall St. John in December 2017 and is located on an open floor of ca. 600 sqm. A third WSE centre opened in Yangon at Myanmar Plaza in August 2018 and is located on an open floor of 350 sqm. A fourth WSE centre opened in Mandalay at Mingalar Mandalay Mall in February 2020 and is located in a stand-alone building over 600 sqm.

Pursuant to a strategic partnership with MCTA:RVi Academy Mandalay ("MCTA") announced in July 2018, WSE provided English language training within the premises of MCTA's Mandalay campus. The provision of services was successfully completed in December 2020.

Over FPE2020, WSE Myanmar generated underlying revenues of US$5.0 million (2019: US$2.6 million) with fees and royalties to the Group of US$1.5 million (2019: US$0.9 million).

From an operational perspective, we are proud to report that Myanmar currently ranks as one of the top countries in the Wall Street English network in terms of student progress: student satisfaction is key to establishing Wall Street English as the leading English language education provider in Myanmar.

Management continues to assess further growth opportunities for WSE Myanmar in order to meet the average development targets stated under the area development agreement with Wall Street English International of approximately one new

centre per year up to a total of ten centres. Further sub-franchising opportunities in Myanmar will be evaluated in due course.

As a response to the Covid-19 restrictions, Wall Street English quickly adapted to the new environment and launched the Wall Street English online solution and digital classroom. While instrumental during lockdown periods, these solutions

Wall Street English Vietnam

In July 2020, the Group completed the acquisition of Wall Street English Vietnam ("WSE Vietnam") for a nominal consideration, resulting in goodwill of US$4.5 million and an increase of contract liabilities of US$4.5 million representing student fees in advance. Similar to WSE Myanmar, WSE Vietnam caters to the premium English Language Training market, focusing exclusively on adult learning, and offers its services through a flexible and integrated blended learning solution that can be delivered entirely online.

During FPE2020, WSE Vietnam owned seven English language retail centres in Ho Chi Minh City and Binh Duong. As at 30 September 2020, total registered students amounted to ca. 6,000. The centres will continue to operate under 10-year Centre Franchise Agreements with Wall Street English International on terms similar to those in place for WSE Myanmar.

Since the completion of its acquisition on 15 July 2020, WSE Vietnam generated revenues to the Group of ca. US$2.0 million (US$19.4 million of revenue would have been expected to have been recognised in FPE2020 if the acquisition had taken place at the beginning of the financial period).

Auston College Myanmar

Auston College ("Auston") is the result of a strategic collaboration signed in April 2018 between Myanmar Strategic Holdings (70% equity interest) and Auston Institute of Management (30% equity interest), an operator of private schools in Singapore and Sri Lanka that prepares students for careers in Engineering, IT Technology and Project Management through higher education learning.

The first campus opened in Yangon in May 2018, spans over three floors and covers 700 sqm. The initial product portfolio includes foundation programs and diplomas in Infrastructure & Networks, Mechanical Engineering, Engineering Technology and Construction Project Management.

In January 2021, Auston finalised a partnership with the Liverpool John Moores University ("LJMU") to provide high quality engineering training programmes in Myanmar. This is key to position Auston as a quality provider of international degree programmes in Myanmar.

Auston has also partnered with WSE Myanmar providing Auston's students a platform to achieve a high level of English proficiency and ensure they are qualified for leading roles at local and international companies.

Over FPE2020, Auston generated underlying revenues of US$0.13 million (2019: US$0.08 million) with no fees and royalties to the Group as the business is still in its ramp-up phase.



REVIEW OF OPERATIONS

FOCUS ON EDUCATION



Yangon American

In December 2018, the Group announced its intention to launch its first international school, Yangon American International School ("Yangon American").

In April 2019, the Group received an investment permit from the Myanmar Investment Commission ("MIC"). The permit is granted under the 2016 Investment Law, following the issue of MIC Notification No. 7 of 2018 for carrying out investment activities in education services and private international school(s) and allows the Group to directly own and operate the School business.

Yangon American officially opened on schedule and on budget in June 2019. Operations commenced in August 2019 with student enrolment of over 50 for Academic Year 2019/2020 and 70 for Academic Year 2020/2021.

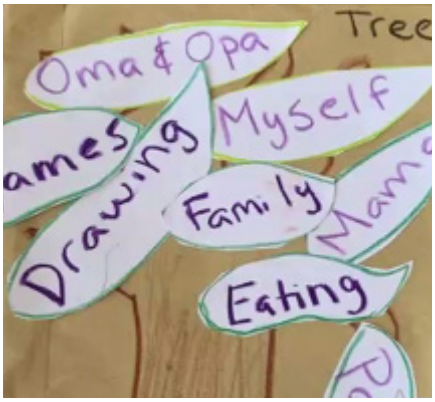
The first Yangon American campus, with planned capacity of up to 400 students, is positioned as a leading K-12 school. The school is centrally located and only 4 km from MSH's educational hub of WSE Myanmar and Auston in Junction Square.

It has 17 classrooms spread over 2,000 sqm, plus a multi-use playground of more than 1,000 sqm. In its first year of operation, Yangon American operated classes from nursery through the third grade, serving students from the age of 2 to 8 with revenues for MSH being generated from student fees, admission fees and ancillary services.

Yangon American is an International Baccalaureate Primary Years Programme ("IB PYP") candidate and is on track to receive full accreditation within 2021. Yangon American is also proceeding with its application to receive the Western Association of Schools and Colleges ("WASC") certification.

For FPE2020, Yangon American generated revenues of US$0.65 million and incurred net losses of US$2.2 million. Yangon American is expected to continue to incur operating losses for the next 18-24 months as the student enrolment increases towards capacity.





REVIEW OF OPERATIONS

FOCUS ON **SERVICES**

1,300 OFFICERS OVER 170 SITES

- The Group's objective is to become the leading provider of integrated security, risk and facility management services in Myanmar.
- Founded in 2012 and acquired by the Group in May 2018 for US$2.2 million, resulting in goodwill of US$1.4 million and other intangibles of US$0.3 million. EXERA provides risk management, consulting, integrated security, manned guarding, secure logistics and cash in transit services to a wide range of international and local clients across Myanmar. EXERA is seeking to grow organically and through acquiring other businesses that will build its capacity and ability to service customers in key growth sectors, such as Oil and Gas, Mining, Energy and Telecoms.
- As the business is fully owned, the Group generates revenues through the provision of security services to its clients. Typical contracts have a term of 1-3 years with predictable monthly revenues, particularly for core manned guarding services.
- Risk management services are also provided on a consulting basis. EXERA publishes Security Information Reports ("SIRs") that support the security-related decision making of its customers. The circulation of SIRs has increased exponentially as a result of Covid-19 and the recently announced state of emergency.
- For FPE2020, EXERA generated revenues of US$5.9 million (US$3.4 million from the completion of the acquisition at the end of May 2018 to 31 March 2019).

Security Officers and Manned Guarding Services

- Through an experienced network of ca. 1,300 security officers active across ca. 170 sites as at 30 September 2020, EXERA is the largest provider of security services in Myanmar.
- EXERA's customer base includes multi-national corporations, large oil and gas companies, established local businesses and governmental bodies and international organisations such as WFP, UNHCR, UNICEF, the Embassy of the Republic of Singapore and the EU mission.
- EXERA's Security Officers are highly trained in accordance with the guidelines from the British Security Industry Association. Furthermore, EXERA strives to achieve excellence in its systems and processes and has been awarded ISO 9001, OHSAS 18000 and ASNSI/ASIS PSC 1 accreditations. EXERA is also the only company in Myanmar accredited to "ISO 18788 Management System for Private Security Companies". These accreditations are the hallmark of a company intent on delivering high quality services for the benefit of our customers.

Secured Logistics and Cash in Transit Services

- EXERA provides a number of customers with English speaking security trained drivers and vehicles on a long-term contract basis. Our services include emergency management and crisis intervention designed to help our clients in the event of a serious accident, medical emergency or natural disaster.
- EXERA was one of the very first international providers of cash in transit ("CIT") services in Myanmar. EXERA's CIT services are fully insured from pick-up to drop-off and are executed by a highly trained team including an operations manager and Cash Escort Officers.
- Our CIT operations are continuously monitored by EXERA's 24/7 command centre. This combination of international standards with local expertise and knowledge makes our team perfectly tailored to conduct CIT operations in Myanmar. The team's training and knowledge spans all elements of CIT services, including equipment and vehicle use, standard operating procedures and fail-safe systems designed to prevent theft and thwart any attempted robberies.
- EXERA is currently in discussion with a number of financial institutions to evaluate transformational outsourcing opportunities in relation to cash management and movement services.

Facilities Management and New Services

- EXERA's strategy is to develop new services that differentiate it from its competitors, build barriers to entry and provide a wider range of support services to existing and new customers. As part of this strategy, EXERA is developing a comprehensive facilities management capability. EXERA is now providing Facility Management services to Yangon American International School, selected embassies and businesses within the wider MSH Group.



STRATEGIC REPORT

SUMMARY

During the 18-month period ended 30 September 2020, the Group has experienced transformative growth while enduring the external and prolonged shock of Covid-19.

In the second half of 2019, the Group successfully launched Yangon American, its K-12 international school, with an initial enrolment of over 50 students. In the first half of 2020, the Group announced its expansion into education in Vietnam through the acquisition of WSE Vietnam. Following the acquisition, the Group is expected to generate more than 70% of its revenues from the education sector and 50% of its revenues from Vietnam.

This significant organic and external growth could not have occurred without having (i) reinforced the systems and processes that are foundational to the Group and (ii) aligned the Group's organisational structure. From a talent management perspective, the Group has a competent and committed management team with key appointments including Jonathan Kolb as Chief Financial Officer, Alain Thibault as Chief Operating Officer, Michael Hall as Chief Human Resources Officer and Anurag Sharma as General Counsel.

The global volatility of 2018/2019 brought about by trade wars and Brexit continued in 2019/2020, mainly due to the impact of the Covid-19 pandemic and the multiple lockdowns experienced across ASEAN. As the world recovers from the Covid-19 pandemic, the Asian Development Bank estimates Vietnam and Myanmar's economies to grow respectively by 6.3% and 6.0% in 2021. While Vietnam's successful response to and the ongoing management of Covid-19 may further accelerate growth, Myanmar's growth may be impacted by the recent political instability related to the state of emergency announced by the military in February 2021.

MSH continues to maintain a positive outlook on the growth of its business operations in ASEAN. As certain competitors retreat from these non-core markets, MSH will continue to establish high quality brands and operations in both Vietnam and Myanmar, growing a committed and aligned management team and driving synergies across its divisions.

MSH continues to target profitability across its existing businesses, although losses may persist for the next 12-18 months depending on the recovery from Covid-19 and Myanmar's political instability. The Group is supported by its core investors and has sufficient financial and human resources to sustain its operations and further growth for the foreseeable future.



ENRICO CESENNI
Chief Executive Officer
30 March 2021

STRATEGIC REPORT

FINANCIAL REVIEW

All dates for the reporting period refer to the 18-month financial period ended 30 September 2020 ("FPE2020"), unless otherwise stated. The comparative period refers to the 12-month financial year ended 31 March 2019 ("2019"). The period on period ("POP") growth or decline refers to any change occurred between FPE2020 and 2019.

The revenues generated by the Group in relation to the businesses owned and managed were US$10.2 million for FPE2020 (2019: US$4.4 million), an increase of ca. 130% over the prior period including the impact of the consolidation of WSE Vietnam and a longer reporting period.

The revenues generated by the Group in relation to the businesses owned were US$8.5 million for 2020 (2019: US$3.4 million), an increase of ca. 148% over the prior period. This was mainly due to the consolidation of WSE Vietnam following its acquisition in July 2020, the expansion of Yangon American and a longer reporting period.

The revenues generated by the Group in relation to the businesses managed were US$1.6 million for 2020 (2019: US$1.0 million), an increase of ca. 66% over the prior period. This was mainly due to the increase in underlying revenues and management fees generated by the Education division for a longer reporting period.

RESULTS OF OPERATIONS

The Group's Adjusted EBITDA loss, which excludes expenditure of a one-off nature, therefore providing a clearer picture of the performance of the operations, increased to US$4.2 million for FPE2020, due to the impact of Covid-19.

The Group's net loss amounted to US$8.7 million for 2020 (2019: US$2.5 million net loss), including US$3.4 million in allowances for impairments and US$0.2 million in transaction costs related to the acquisition of WSE Vietnam.

While Group revenues increased by 130% vs. the prior period, employee benefits expenses increased at a slightly lower rate of 126% vs. the prior period, reflecting the longer period and the Management's efforts to contain costs during the Covid-19 pandemic.

IFRS 16 requires amortisation to be charged on the right-of-use assets and interest expense on lease liabilities instead of operating lease expenses which was required by the previous accounting standard for leases, IAS 17, to be charged to the profit and loss. For 2020, the Group recognised expenses of ca. US$1.4 million in relation to the right-of-use-asset, of which US$0.9 million was amortisation expense and US$0.4 million was finance cost.

Depreciation expense over the period increased significantly to U$0.4 million (2019: US$0.06 million) due to the additional depreciation in relation to WSE Vietnam and the refurbishment and fit-out of Yangon American.

A loss allowance of US$3.4 million, as disclosed in Note 16 and in Note 31, was made in FPE2020 for an amount due from a related party in respect of payments made on behalf and advances for the operation of the managed language centres in Myanmar as these centres experienced continuous losses and the likelihood of recovery is in doubt considering the current economic environment and the renegotiation of certain commercial terms with the related party.

Direct and indirect Full Time Employees ("FTEs") increased to ca. 2,000 (2019: ca. 1,400), of which ca. 250 FTEs (2019: 300) were employed within the operations under management and ca. 1,750 FTEs (2019: 1,100) were employed in the owned operations. The growth was mainly due to the acquisition of WSE Vietnam, the launch of the fourth WSE Myanmar English language centre in Mandalay and the expansion of EXERA's operations.

STRATEGIC REPORT

FINANCIAL REVIEW (CONTINUED)

	Audited 18 months ended 30 September 2020 US$	Unaudited 12 months ended 31 March 2020 US$	Audited Year ended 31 March 2019 US$
Revenue	10,156,856	5,353,468	4,424,892
Other income	147,400	18,551	4,932
Employee benefits expense	(8,702,024)	(4,821,310)	(3,847,090)
Other expenses (Excl. one-off expenses pursuant to the deal-related expenses and loss on write-off)	(4,472,510)	(2,640,875)	(2,638,392)
Adjusted EBITDA before Impact of Right-of-Use Asset	**(2,870,278)**	**(2,090,166)**	**(2,055,658)**
Amortisation expense on right-of-use asset	(937,703)	(374,481)	-
Finance cost on lease liabilities	(422,228)	(240,599)	-
Adjusted EBITDA	**(4,230,209)**	**(2,705,246)**	**(2,055,658)**
One-off expenses pursuant to the deal-related expenses and loss on write-off	(334,159)	(95,037)	(321,523)
Loss allowance on trade and other receivables	(3,395,740)	-	-
Depreciation expense	(374,451)	(263,941)	(61,484)
Finance cost	(218,207)	(108,342)	-
Amortisation expense	(193,086)	(128,433)	(128,229)
Loss before income tax	**(8,745,852)**	**(3,300,999)**	**(2,566,894)**
Income tax	38,693	21,018	30,330
Loss for the period/year	**(8,707,159)**	**(3,279,981)**	**(2,536,564)**
Other comprehensive income for the period/year, net of tax	(145,894)	-	-
Total Comprehensive Income	**(8,853,053)**	**(3,279,981)**	**(2,536,564)**
Loss for the period/year attributable to:			
Owners of the Company	(8,683,164)	(3,273,616)	(2,534,646)
Non-controlling interests	(23,995)	(6,365)	(1,918)
	(8,707,159)	(3,279,981)	(2,536,564)
Loss per share			
– Basic and diluted (US$)	(3.40)	(1.31)	(1.03)

UNDERLYING REVENUE

The Underlying Revenues are an indicator of the total volume of business generated in each division. The operating businesses managed and owned by the Group generated revenues ("Underlying Revenues") of US$14.7 million for 2020 (2019: US$7.3 million), an increase of ca. 101% over the period.

The 61% POP growth of the businesses managed by the Group was driven by the further expansion of WSE Myanmar, following the opening of the fourth English learning centre in February 2020.

The 148% growth of the businesses owned by the Group was mainly driven by the acquisition of WSE Vietnam and ramp-up of Yangon American.

Underlying Revenue	Unaudited 18 months ended 30 September 2020 US$	Unaudited 12 months ended 31 March 2020 US$	Unaudited Year ended 31 March 2019 US$
Managed Businesses			
Hospitality (Ostello Bello)	1,031,325	1,019,717	1,209,258
Education (WSE Myanmar, Auston)	5,148,989	3,112,961	2,618,741
Total managed businesses	**6,180,314**	**4,132,678**	**3,827,999**
Owned Businesses			
Services (EXERA)	5,891,462	3,790,492	3,445,155
Education (WSE Vietnam and Yangon American)	2,638,139	360,673	-
Total owned businesses	**8,529,601**	**4,151,165**	**3,445,155**
Total underlying revenues	**14,709,915**	**8,283,843**	**7,273,154**

GROUP REVENUES

Group revenues include the fees generated by the managed businesses and the revenues generated by the owned businesses. Group revenues for the 18-month financial period ended 30 September 2020 amounted to US$10.2 million (2019: US$4.4 million), an increase of ca. 130% over the period, and were composed of US$8.5 million in revenues generated by the owned businesses and US$1.6 million in fees generated by the managed businesses.

Fees Generated by Managed Businesses	Audited 18 months ended 30 September 2020 US$	Unaudited 12 months ended 31 March 2020 US$	Audited Year ended 31 March 2019 US$
Hospitality (Ostello Bello)	135,000	135,000	105,000
Education (WSE Myanmar, Auston)	1,492,254	1,067,303	874,737
Fees generated by managed businesses	**1,627,254**	**1,202,303**	**979,737**

LIQUIDITY AND CAPITAL RESOURCES

During FPE2020, the Group's operating cash outflow increased significantly to US$3.7 million (2019: US$2.3 million), mainly due to a longer reporting period and a deterioration of the cash flow generated by the operations owned and managed by the Group and the consolidation of WSE Vietnam.

With regards to investing activities, the Group advances funds to the owners of the relevant managed operations to fund refurbishment expenses, improvements and general working capital. Such advances are unsecured and interest free and there is a risk that the Group may not be repaid some or all of these monies. In FPE2020, the Group advanced US$1.0 million to related parties.

As a result of the Covid-19 outbreak resulting in a deterioration of the overall trading conditions in Myanmar, the Group is in the process of reviewing the key terms of its operating and management agreement with TED Limited, a related party. The outcome of the renegotiation may include changes to the existing operation and management and technical assistance agreements which could result in E Partners Limited owning, operating and managing the Wall Street English language learning centres in Myanmar. TED Limited would remain as a real estate partner and related party to the Group. All receivables from TED Limited shall remain outstanding. The Group has made certain allowances for impairment of US$3.4 million as disclosed in Note 16 to the current report.

STRATEGIC REPORT

FINANCIAL REVIEW (CONTINUED)

During FPE 2020, the net cash used in investing activities amounted to US$1.7 million (2019: US$3.4 million), including outflows of ca. US$0.6 million for purchase of plant and equipment and US$0.5 million in purchase of financial assets at FVOCI.

With regards to the Group's financing activities, the Group's principal sources of liquidity in the 18-month period ended 30 September 2020 have been (i) proceeds from issuance of ordinary shares totalling US$6.4 million and (ii) a loan of US$3.0 million from the former immediate holding company, MACAN Pte. Ltd.

As at 30 September 2020, the entire initial loan facility of US$3.0 million was drawn down. In March 2020, the Company and MACAN Pte. Ltd. agreed to increase the loan facility from US$3.0 million to US$7.0 million. The Loan Facility has a tenure of up to three years, bears an interest rate of 6.0% per annum and is repayable on demand although MACAN has confirmed that no repayment is due for at least 12 months from the date of this report. As at the date of this report, US$4.5 million in loans were drawn down.

During FPE2020, the Group's financing cash inflow amounted to US$8.4 million (2019: US$3.1 million) net of US$0.5 million in repayment of lease liabilities and US$0.4 million in interest paid on lease liabilities.

DIVIDENDS

Based on the above, the Directors do not recommend payment of a dividend at this time.

CHANGE OF YEAR END

The Myanmar government had announced that all Myanmar companies must change their financial year end to 30 September of each year, commencing in 2019. As such, all of the Company's subsidiary companies changed their year end and the Company did the same. Therefore, the Company issued interim accounts for the six months to 30 September 2019 (announced on 18 December 2019) and also for the six months to 31 March 2020 (announced on 29 June 2020). As a consequence, this report, with a full audited set of financial statements, comprises the 18-month period from 1 April 2019 (the last full audited set of financial statements) to 30 September 2020.

WORKING CAPITAL

As of the date of this report, the Group has adequate financial resources to cover its working capital needs for the next 12 months.

OUTLOOK

The Company's ambition has grown into becoming a leading developer and manager of consumer businesses in ASEAN, rather than just Myanmar.

In line with this vision, Management is looking at opportunities to grow the Group through both organic and acquisitive means, in sectors which target primary needs. The Group will continue to pursue an asset light strategy and increase the portfolio of businesses owned and under management.

The acquisition of WSE Vietnam represents a pivotal moment as the Group has expanded its presence to a second ASEAN country and increased the share of revenues generated by education businesses. Following a swift turnaround, the WSE Vietnam business has the potential to be profitable in 2020/2021, driving profitability at scale for the Group.

As the Group's owned and managed operations grow in size, the Group may decreasingly rely on external financing and instead finance its organic growth through the profits earned by the owned businesses and the Fees to the Group generated by the managed operations.

Management will also continue to build and train the relevant human resources to sustain and accelerate the Group's growth. Operational and financial sustainability are key strategic priorities communicated throughout all levels within the organisation.

Notwithstanding the recent political and economic uncertainty, the Board and management continue to remain positive on the overall macroeconomic environment underpinning the broader investment opportunity across ASEAN, with Vietnam and Myanmar as key contributors.

STRATEGIC REPORT

SUSTAINABILITY AND DIVERSITY

Since its foundation Myanmar Strategic Holdings has focused on creating sustainable businesses and developing a local skilled workforce. The Group has identified a range of focus areas that are closely aligned to the Sustainable Development Goals ("SDGs") of the 2020 Agenda for Sustainable Development and the Ten Principles of the UN Global Compact ("UNGC").

Myanmar Strategic Holdings supports the following SDGs within its operations:



The businesses managed and owned by the Group provides ca. 2,000 jobs to local employees in Myanmar and Vietnam. All employees are paid at least the statutory minimum wage and benefit from fair working conditions and shift patterns. Throughout its presence across over 170 sites, the Group supports local businesses, job creation and entrepreneurship.

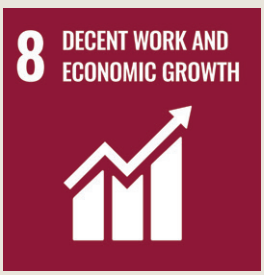


Through our education division, the Group ensures inclusive and equitable education and promotes lifelong learning opportunities for all. In 2020 as a response to the Covid-19 restrictions and lockdown, all our education businesses adopted remote learning technologies, providing academic advancement opportunities at affordable prices for ca. 8,000 students. Several scholarships were also offered across both Wall Street English and Auston.





Female representation exceeded 60% of the total workforce (excluding EXERA), a remarkable achievement for a market at this stage of development and an improvement vs. 2019 (less than 50%). While female participation is lower in MSH's integrated security services business, Management encourages higher female participation through targeted hiring initiatives. At this stage we are not aware of any gap between the pay of male and female employees.



Across over 170 sites, the Group ensures fair working conditions and standards for all its employees. The Group follows the principles of the UK Modern Anti-Slavery Act 2015 and prohibits child labour across all of its business operations and projects, and there were no cases of child labour reported in the 18-month period ended 30 September 2020.

GOVERNANCE REPORT

BOARD OF DIRECTORS AND TOP MANAGEMENT



RICHARD GREER

Independent Non-executive Director and Chairman

Richard has over 40 years's of experience working in investment banking, of which 17 years were spent in Asian and cross-border investments.

He is a General Partner of the MENA Technology Fund, which invests in early stage technology companies in the Middle East and Israel, and which is regulated by the FCA.

From 1978 to 1993, Richard worked in Japan, initially for Jardine Matheson and later as branch manager for Baring Securities Limited (Japan). He has extensive research experience and was appointed to head the Japanese Ministry of Finance's group to represent EU investment banks and brokerages. Since returning to London, Richard has served as global head of research at Barings, Caspian Limited and Commerzbank AG, before becoming a partner at WMG Limited, a wealth management group.

Richard earned a bachelor's degree in History from Corpus Christi College, Cambridge.



CHRISTOPHER CLARKE

Independent Non-executive Director

Christopher has practiced law for over 40 years, of which over 30 were spent in Asia, including the People's Republic of China.

Christopher currently serves as a non-executive director at Gama Aviation, London Power Networks, Eastern Power Networks South Eastern Power Networks and Arnhold Holdings.

He previously served as an independent non-executive director at Baltrans Holdings and Arnhold Holdings, both of which were quoted on the Hong Kong Stock Exchange.

Christopher started his career in Hong Kong, eventually becoming partner and managing partner of Denton Hall (Asia), CMS Cameron McKenna (Asia) and DLA Piper (Hong Kong).

Christopher attended Fettes College and then The College of Law and qualified as solicitor of the Supreme Court of England and Wales in 1974 and as a Solicitor in Hong Kong in 1975.



DENNIS YEO

Independent Non-executive Director

Dennis has spent over 20 years in accounting and finance roles across South East Asia.

Dennis currently serves as the Chief Financial Officer at the Eden Group of Companies.

Dennis was formerly an executive director and the Group's Chief Financial Officer. He resigned in May 2020 and continues to serve as a non-executive director.

Dennis started his career at Asia Pacific Breweries where he worked in different finance, planning, and control functions.

He continued his career at Heineken, serving most recently as Head of Finance and ICT for Heineken's greenfield operations in Myanmar.

Dennis earned a bachelor's degree in Business (Accountancy) from the Royal Melbourne Institute of Technology and obtained his CPA designation while in Australia.



ENRICO CESENNI

Executive Director and Chief Executive Officer

Before founding the Company in 2013, Enrico spent a decade in investment banking, specifically mergers and acquisitions based in London.

He initially covered financial institutions at Lehman Brothers and Nomura before focusing on the consumer retail sector at Goldman Sachs.

With a longstanding interest in entrepreneurial opportunities in Asia, Enrico spent some time at Upstream Ventures in 2009, a Singapore-based early stage venture capital fund, before founding MACAN in 2012, a company to hold a growing portfolio of operating assets and investments in Europe and the Far East, including Myanmar Strategic Holdings.

Enrico earned an MBA from INSEAD and an undergraduate degree in Institutions and Financial Markets Management from Università Commerciale Luigi Bocconi.



U AUNG MYO THEIN

Partner, Business Development

U Aung Myo Thein ("Adrian Tike") has been one of the Company's Myanmar-based partners since 2014 and is responsible for sourcing and evaluating business opportunities as well as building relationships and liaising with local authorities and communities.

Following a period based in the U.S. working for Walmart and Visa in a financial reporting capacity, Adrian relocated to Myanmar in 2014 as head of finance for Yoma Bank, a leading Myanmar financial institution.

Adrian has been a CPA for 13 years and earned a bachelor's degree in Accounting from the University of Southern California, Los Angeles.



JONATHAN KOLB

Chief Financial Officer

Jonathan has been one of the Company's Myanmar-based partners since 2015 and is responsible for sourcing and evaluating business and investment opportunities as well as reviewing the performance of the existing portfolio of businesses. He has been appointed Group's CFO in 2020.

Prior to joining MSH, he spent over 10 years in finance, of which the last four were based in South East Asia. With a focus on real estate, Jonathan spent five years as a listed real estate fund manager at Center Square Investment Management, initially based in Philadelphia. He relocated to Singapore in 2012 to establish the Asian office and operations. Prior to attending business school, he analysed companies and their cash flows as a commercial lending underwriter at Bank of America in Chicago.

Jonathan has an MBA from INSEAD and bachelor's degrees in Finance and Accountancy from the University of Illinois – Urbana/Champaign. He is also a registered CPA in the state of Illinois and a CFA Charterholder, but is not currently active.

GOVERNANCE REPORT

BOARD OF DIRECTORS AND TOP MANAGEMENT



ALAIN THIBAULT

Chief Operating Officer

Before joining MSH in August 2018 as CEO of Wall Street English and Auston College Myanmar, Alain built an expertise over 15 years to build and/or transform operational capabilities across multiple industries with a focus on enabling scale, efficiency, insights and transparency.

In 2020, his responsibilities were expanded to also cover for the management of Wall Street English Vietnam as well as to build operational capabilities such as Technology and Marketing at the Group level.

While based in Asia since 2009, Alain first joined Accenture before taking over senior management positions for organizations such as Lazada and Air Asia where he could put his passion for people development and digitalization at play to drive scalability and innovation.

Alain earned an MBA from INSEAD and an undergraduate degree in Industrial Engineering at Ecole Polytechnique de Montreal.



MICHAEL HALL

Chief Human Resources Officer

Michael has over 19 years human resources experience across SE Asian, Australian and UK markets. Previously he has represented the owners team, delivering start-up projects focusing on Fintech, resources and infrastructure developments.

Michael is responsible for the HR function across the group, working closely with business to ensure service delivery, implementing new group level HR initiatives that positively impact the business and the employee.

Initialling moving to Myanmar in 2011, Michael has held management positions within multinational businesses, developing the human resources function and delivering manning strategies for a large-scale resources project with leading developer POSCO, and for what is now Myanmar's most successful Fintech company, Wave Money. Prior to this, in Australia, Michael worked directly in the Oil & Gas industry working with BG Group and a ConocoPhillips JV, enabling expansion into new markets.

Michael is focused on building and enhancing functional and people capabilities, supporting our growth through human capital management.



ANURAG SHARMA

General Counsel

Before joining MSH in 2020, Anurag spent over 18 years in several key roles with multinational corporations, law firms and as an independent legal counsel.

He has handled several key mergers, acquisitions, disputes, investment rounds and joint venture transactions. His strength in the last few years has been building strong legal teams capable of delivering results.

As a General Counsel, Anurag has headed legal departments of companies engaged in a wide array of businesses ranging from pharmaceuticals (Abbott, Biocon and DSM) to technology/ transport aggregation/ e-commerce (OLA, Foodpanda, and Rivigo).

Anurag completed his Bachelor of Law degree from Campus Law center, University of Delhi in the year 2001. Before law, he pursued a degree in Commerce from the same University.

GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

Myanmar Strategic Holdings is committed to maintaining the highest standards of business conduct and ethics, as well as full compliance with all applicable laws, rules and regulations, corporate reporting and disclosure, and all other matters deemed to protect the best interests of the Company's shareholders.

As an LSE quoted company with a standard listing, Myanmar Strategic Holdings is not required to comply with the UK Corporate Governance Code (the "Code") and has not elected to voluntarily comply with the Code. However, the Board fully supports the principles on which the Code is based and intends that the Group will comply with the provisions of the Corporate Governance Code and the QCA Guidelines, insofar as they are appropriate given the Group's size, stage of development, and resources.

Effective corporate governance is a priority of the Board and outlined below are details of how the Company has applied the principles of corporate governance as set out in the Code, as far as they are relevant to Myanmar Strategic Holdings.

As the Group continues to grow, the Board carries out regular reviews of its corporate governance policy and practices, with the objective that these will continue to evolve and be enhanced in line with the Group's increasing size and stature. Integral to these reviews are appraisals of the Group's system of internal controls, including financial, operational and compliance controls and risk management systems.

BOARD OF DIRECTORS

ROLE OF THE BOARD

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including (but not limited to) formulating the Group's strategic direction, setting remuneration, appointing Directors and senior management, establishing goals for management and monitoring the achievement of these goals; approving and monitoring annual financial and operating budgets and capital expenditure; and ensuring the integrity of internal control and management information systems. The Board is also ultimately responsible for approving and monitoring financial and other reporting.

BOARD PROCESS

The full Board meets formally at regular intervals throughout the year (at least 4 times per year) and at such other times as may be necessary to address any significant and urgent matters that may arise. The Board communicates regularly between these meetings.

On a regular basis the Board is provided with appropriate and timely information relating to all aspects of the Group. In addition, the Directors are free to seek any further information or request specific presentation on matters that they consider necessary in order to discharge their duties effectively.

The Non-executive Directors are familiar with the Group's operations and conduct site visits at regular intervals with one Non-executive Director travelling to Myanmar or Vietnam at least once per year, subject to the relevant travel restrictions. On these occasions the divisional CEOs and managers are encouraged to conduct specific presentations on the performance of each business.

The collective responsibility of the Board ensures that all Directors are involved in the process of arriving at significant decisions.

HOW THE BOARD OPERATES

A detailed schedule of matters reserved for the Board has been established and is periodically reviewed. The key matters reserved are the consideration and approval of:

- The Group's overall strategy and objectives;
- Material acquisitions and disposals and major expenditure commitments;
- Borrowing and hedging arrangements where relevant;
- The issuance of equity and options;
- Annual work programmes and budgets;
- The Group's annual and half-yearly financial statements;
- Board appointments, remuneration and roles;
- Key risks including, among others, health and safety and cyber security;
- Corporate policies and corporate governance arrangements; and
- The impact of extraordinary and material events such as Covid-19 in both Myanmar and Vietnam, and Myanmar's state of emergency.

Through the publication of regular announcements, corporate presentations posted to the Company website, and face to face meetings, the Board has sought to communicate its strategy, objectives and performance to all shareholders on a timely basis.

COMPOSITION OF THE BOARD

The Board of Directors comprises four members, one Executive Director (the Chief Executive Officer) and three Non-executive Directors. One of the Non-executive Directors serves as the Group Chairman.

The Board has established Audit and Remuneration Committees with formally delegated duties, responsibilities and written terms of reference.

The Board constantly evaluates whether it may appropriate, from time to time, to set up separate committees to consider specific issues as and when the need arises.

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

Each Director has the right of access to all relevant Company information and to the Company's senior management.

GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

The Executive and Non-executive Directors have access to advice from the Company's retained auditors, legal advisers as well as to other independent professional advisers (as appropriate), at the expense of the Company, if considered necessary in the performance of their duties.

Directors are expected to bring independent judgement to bear on issues of strategy, performance and standards of conduct.

DIRECTOR EDUCATION

On an ongoing basis, the Group educates Directors about the nature of the business, current issues, the corporate strategy and timeline for key objectives to be met, and the expectations of the Group concerning the performance of the Directors.

Directors also have the opportunity to visit the Group's facilities and meet with the operational management to gain a better understanding of the Group's business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

The Group provides comprehensive education to new directors both prior to and following appointment consistent with the principles of continuing education outlined above.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on.

It receives and reviews reports from the Group's management and external auditors relating to the half-yearly and annual accounts and the accounting and internal control systems in use throughout the Group. The audit committee meets at least twice in each financial year and has unrestricted access to the Group's external auditors.

It also assists by reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal audit activities, internal controls and risk management systems. The ultimate responsibility for reviewing and approving the Annual Report and financial statements and the half-yearly reports remains with the Board.

The members of the audit committee are Richard Greer, who acts as chairman of the committee, Christopher Clarke and Dennis Yeo. If the Company appoints an additional Non-executive Director with relevant accounting experience in the future, it is anticipated that such director would become a member of and potentially the chairman of the audit committee.

REMUNERATION COMMITTEE

The remuneration committee reviews the performance of the executive directors and the Group's senior management and makes recommendations to the Board on matters relating to their remuneration and terms of employment.

The committee also makes recommendations to the Board on proposals for the granting of share awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time. The remuneration committee meets at least once a year.

The members of the remuneration committee are Christopher Clarke, who acts as chairman of the committee, Richard Greer and Dennis Yeo.

INTERNAL CONTROLS AND RISK MANAGEMENT IN RELATION TO FINANCIAL REPORTING

The Board is responsible for the Group's system of internal control environment over the financial reporting process and for reviewing its effectiveness.

It should be recognised that such a system can only provide reasonable and not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate those risks that may affect the Company in achieving its business objectives.

The Group has not established a separate Risk Management Committee. Instead, the Board, as part of its usual role and through direct involvement in the management of the Group's operations, ensures financial reporting risks are identified, assessed and appropriately managed. Where necessary, the Board will draw on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

Control self-assessment exercises are conducted regularly across the Group's operations to ensure risks are identified and managed as an integral party of any business transaction workflow.

Practices have been established to ensure:

- A comprehensive delegation of authority is in place that includes approval limits for Directors and senior management and specifically matters reserved for the Board;
- Capital expenditure and revenue commitments above a certain size obtain prior Board approval;
- Financial exposures are controlled, including the potential use of derivatives;
- Occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations;
- Business transactions are properly authorised and executed; and
- Financial reporting accuracy and compliance with the financial reporting regulatory framework.

In addition, the Board has adopted policies covering anti-corruption, anti-bribery, share dealing, whistleblowing and social media. Furthermore, the Group conducts extensive KYC checks on counterparts and employees that cover sanctions, anti-money laundering and politically exposed persons, among others.

The Group's management team assists the Board in monitoring the application of the Group's policies.

ENVIRONMENT AND SUSTAINABILITY

At Myanmar Strategic Holdings, the Board acknowledges the importance of our sustainability commitments.

The Group's principles, business practices, and management decisions are driven by a full commitment to sustainable development and to create a sustainable business.

ETHICAL STANDARDS

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer issues arising from their employment. A formal Code of Conduct encourages employees to raise any concern in relation to unethical conduct. An open-door policy is implemented across the Company with top management being available to address any of the employees' concerns.

EXTERNAL AUDITORS

The Board and the Audit Committee review the performance of the external auditors on an annual basis and normally meet with them during the year to:

- Discuss the external audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact on the financial statements and to review the fees proposed for the audit work to be performed.
- Review the periodic reports prior to lodgment and release, and any significant adjustments required as a result of the auditor's findings, and to recommend Board approval of these documents, prior to announcement of results.
- Review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.
- Review the draft financial report and recommend Board approval of the financial report.
- As required, to organise, review and report on any special reviews or investigations deemed necessary by the Board.
- Discuss the financial assumptions and estimates used in the cash flow and budget projections prepared by management and reviewed by the Board for going-concern purposes, including stress testing by management, taking also into considerations extreme impacts such as Covid-19 and Myanmar's state of emergency.

The Board and Audit Committee specifically assess the independence of the Group's external auditors and in doing so consider the level and nature of non-audit services provided and associated fees, the auditors' rotation arrangements for key audit personnel and areas of potential conflicts of interest.

COMMUNICATION WITH SHAREHOLDERS AND CONTINUOUS DISCLOSURE

The Directors attach importance to the provision of clear and timely information to shareholders and the broader investment community. Information about the Company is available on its website (www.ms-holdings.com).

Financial reporting – the Company reports to shareholders half-yearly and annually, as required by the LSE Rules. The Chairman states to the Board that the Company's financial reports present a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Equal access policy – the Company has a policy, based on existing policies and practices as a company quoted on the LSE market, that all shareholders and investors have equal access to the Company's information, and has procedures to ensure that all price- sensitive information will be disclosed to the LSE in accordance with the continuous disclosure requirements of the LSE Rules. These procedures include:

- A comprehensive process to identify matters that may have a material effect on the price of the Company's shares, notifying them to the LSE, posting them on the Company's website, and issuing media releases.
- All information provided to the LSE, and related information (including information provided to analysts and the media), being immediately posted to the Company's website.

The Annual Report is made available to all shareholders. The Board ensures that the Annual Report includes relevant information about the operations of the Group during the year, changes in the state of affairs of the Group and details of future developments, as well as all required disclosures.

News releases are issued throughout the year and the Company maintains a website (www.ms-holdings.com) on which press releases, corporate presentations and the Annual Report and financial statements are available to view together with the half-yearly financial statements. Enquiries from individual shareholders on matters relating to the business of the Company are welcomed. Shareholders and other interested parties can subscribe to receive notification of news updates and other documents from the Company via email.

In addition, the Executive Director meets with major shareholders to discuss the progress of the Company and provide periodic feedback to the Board following meetings with shareholders.

GOVERNANCE REPORT

DIRECTORS' STATEMENT

The Directors of Myanmar Strategic Holdings Ltd. have pleasure in submitting their Report with the audited financial statements for the 18-month period ended 30 September 2020.

PRINCIPAL ACTIVITIES

Myanmar Strategic Holdings Ltd. is an independent developer and manager of consumer business in Myanmar and Vietnam. It is currently active in Education (Wall Street English, Auston and Yangon American), Services (EXERA) and Hospitality (Ostello Bello).

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A summary of the Group's main business developments for the period ended 30 September 2020 and potential future developments is contained within the Chairman's Statement, the Review of Operations and the Financial Review.

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

SHARE CAPITAL AND RESERVES

Details of the Group's issued share capital and reserves as at 30 September 2020 are contained in the Consolidated Statement of Changes in Equity.

RESULTS AND DIVIDENDS

An overview of the Group's results, covering the period ended 30 September 2020, is provided in the Financial Statements on page 35. The Directors do not propose the payment of dividends.

EVENTS AFTER THE REPORTING DATE

There were no reportable events arising after the reporting date other than the post period events disclosed in the Strategic Report.

DIRECTORS REMUNERATION

Directors' remuneration for the period ended 30 September 2020 was as outlined in the table below. Dennis Yeo served as an Executive Director and Chief Financial Officer until his resignation in May 2020. He continues to serve as a Non-executive Director for the Company.

(US$)	Fees	Salaries	Bonuses	Share-based compensation	Other emoluments (benefits)	Total FPE 2020	Total 2019
Executive Directors							
Enrico Cesenni	-	177,107	-	18,670	23,139	218,916	156,535
Dennis Yeo Ting Teck	-	100,443	-	29,632	17,465	147,540	166,545
Sub-total	-	277,550	-	48,302	40,604	366,456	323,080
Non-executive Directors							
Richard Edgar Greer	36,000	-	-	10,088	-	46,088	41,905
Christopher John David Clarke	27,000	-	-	10,088	-	37,088	35,905
Dennis Yeo Ting Teck	3,209	-	-	29,632	-	32,841	–
Sub-total	66,209	-	-	49,808	-	116,017	77,810
Total	**66,209**	**277,550**	-	**98,110**	**40,604**	**482,473**	**400,890**

DIRECTORS AND THEIR INTERESTS (INCL. SHARE OPTIONS)

The table below sets out the interests of the Directors in Myanmar Strategic Holdings as at 30 September 2020.

As at 30 September 2020	Shareholdings in which the Directors are deemed to have an Interest (Shares)	Shareholdings in which the Directors are deemed to have an Interest (%)	Share Options
Enrico Cesenni (CEO)*	1,010,500	36.0%	6,000
Dennis Yeo Ting Teck (NED)	-	-	25,000
Richard Greer (Chairman, INED)	7,700	0.3%	10,000
Christopher John David Clarke (INED)	-	-	10,000

***The beneficial interest of Enrico Cesenni is held through MACAN Pte. Ltd. ("MACAN"), which owns 960,000 ordinary shares. In addition MACAN also administers the voting rights over an additional 50,500 ordinary shares held in the names of U Aung Myo Thein.*

SHARE OPTIONS

The Group operates a share option scheme pursuant to which the Directors, senior management and key employees and consultants of the Group may be granted options to acquire Ordinary Shares in the Company at a fixed option exercise price of US$11 per share.

The Group had on 23 May 2017, 1 December 2017, 17 October 2018 and 21 July 2020 entered into share option agreements with the employees and Directors of the Group to allot and issue 117,000, 13,000, 72,000 and 61,500 share options, respectively. During the financial period, 5,000, 2,500 and 3,000 share options which were granted on 23 May 2017, 1 December 2017 and 17 October 2018, respectively had forfeited as these participants ceased to be employees of the Company. In the previous financial year, 40,000, 8,000 and 1,000 share options which were granted on 23 May 2017, 1 December 2017 and 17 October 2018, respectively had forfeited as these participants ceased to be employees of the Company. No share options were exercised during the financial year.

Further details of the above share option scheme can be found in note 22 to the Financial Statements.

SUBSTANTIAL SHAREHOLDINGS

To the best of the knowledge of the Company, the following notifiable positions of ordinary shares and holdings of Directors of the Company as at 30 September 2020 were as follows:

As at 30 September 2020	Number of Ordinary Shares	Percentage of Ordinary Shares
MACAN Pte. Ltd*	960,000	34.3%
Oneiros Investments S.A.	224,121	8.0%
A-Star-Education Holdings Pte. Ltd.	200,000	7.1%
SOAI Ltd.	156,945	5.6%
Jonathan Geoffrey Kolb***	151,500	5.4%
BF&F s.r.l.	117,500	4.2%
NDC Advisors Limited	101,019	3.6%
SEVIAN s.r.l.**	100,000	3.6%
Gaudenzio Roveda	100,000	3.6%
U Aung Myo Thein***	50,500	1.8%

** MACAN is a company in which Enrico Cesenni, CEO of the Company, holds 26.1 per cent. of the issued share capital of the company and 35.1 per cent of the voting rights.*

*** SEVIAN s.r.l. also holds 48.9 per cent. of the current issued share capital of MACAN*

**** Directors of subsidiaries*

GOVERNANCE REPORT

DIRECTORS' STATEMENT

The Board of Directors is composed of four members, one Executive Director and three Non-executive Directors. One of the Non-executive Directors serves as the Group Chairman.

The Board has established Audit and Remuneration Committees with formally delegated duties, responsibilities and written terms of reference. From time to time, separate committees may be set up by the Board to consider specific issues as and when the need arises.

RELATIONS WITH SHAREHOLDERS

The Directors attach importance to the provision of clear and timely information to shareholders and the broader investment community.

Information about the Company is available on its website (www.ms-holdings.com). The Group's Annual and Interim Reports will also be sent to shareholders and be made available through the Group's website.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Group has in place a Directors and Officers insurance policy to cover relevant individuals against claims arising from their work on behalf of the Company. The cost of providing this cover is US$15,248 (2019: US$10,165). The Board intends to maintain the level of cover provided under annual or more frequent review, as appropriate.

GOING CONCERN

As noted in the Group's Financial Review, as the scale the operations under management grows the Group may decreasingly rely on external financing and instead finance its organic growth through the profits generated by the owned businesses and the fees to the Group generated by the managed operations.

As detailed in Note 16 and Note 31 to the financial statements, the re-renegotiation of financial terms with a related party operating the Group's English language centres in Myanmar will result in the Group operating directly all English language centres in Myanmar and consolidating its financial results. This may in turn improve the Group's long-term profitability.

The prolonged Covid-19 pandemic and Myanmar's state of emergency has put the Group's cash flows under significant pressure. Management and the Board have reviewed and stress tested the cash flow and budget projections and the Directors are confident that the Group has adequate resources to continue its operations and meet its commitments for a period of at least 12 months from the date of this report. Additional funds are also available within the loan facility with MACAN, MSH's largest shareholder.

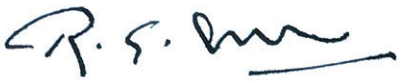
ANNUAL GENERAL MEETING

Details of the 2020 Annual General Meeting will be announced in due course. The Notice of Meeting, together with an explanation of the items of special business if any, is to be provided separately to shareholders.

AUDITORS

BDO LLP has expressed its willingness to continue in office as auditors and a resolution for their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



Mr. Richard Greer
Independent Non-executive Chairman
30 March 2021

GOVERNANCE REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements for the Group which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group will continue in business.

The directors are also required to prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Stock Exchange.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of financial statements.

Financial information is published on the company's website. The maintenance and integrity of this website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may occur to the financial statements after they are initially presented on the website.

Legislation in Singapore governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITIES PURSUANT TO DTR4

The directors confirm to the best of their knowledge:

- The group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the group, together with a description of the principal risks and uncertainties that it faces.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MYANMAR STRATEGIC HOLDINGS LIMITED

OPINION

We have audited the financial statements of Myanmar Strategic Holdings Limited ("the Parent Company") and its subsidiaries (the "Group") for the 18 month period ended 30 September 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 30 September 2020 and of its loss for the period then ended; and
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
REVENUE RECOGNITION: Assessment of the appropriate amounts and timing of revenue to be recognised and the related disclosures in the financial statements requires a degree of judgement. As described in note 2.4, the Group's revenues include management fees and other fees from businesses that the Group manages under contract. As described in note 3.1 (i), Management have considered whether the legal agreements in place with the managed entities might constitute control of the operations. Revenue would be materially misstated if the operations of the managed businesses of these entities are judged as controlled by the Group. The group also receives fees from students for courses, tuition and security services that are recognised over time.	We assessed the judgements made by management in determining that the group does not control the managed businesses against the requirements of the applicable accounting standards. In relation to management fees, royalties and other fees earned from the managed businesses, we examined the calculation of all the fees with reference to contracts to check that the revenue recognition policy is in accordance with the requirements of applicable accounting standards. We re-calculated the management fees, royalties and other fees from managed businesses with reference to the contract terms and the audited underlying revenues and trading results of the managed businesses. For fees received for courses, tuition and security services, we tested a sample of transactions to contracts and calculations of revenues recognised over the duration of contract periods. **Key observations:** From procedures performed we consider the judgements made in respect of revenue recognition to be appropriate.

KEY AUDIT MATTER (CONTINUED)	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER (CONTINUED)
RECOVERABILITY OF RELATED PARTY TRADE AND OTHER RECEIVABLES: As described in note 3.2, the Group has significant trade and other receivables from the managed businesses of a related party, which may not be fully recoverable. As described in note 16 (i) an impairment allowance of US$3,395,740 has been made in respect of an amount due from a related party relating to the operation of the managed language centres due to continuous losses and the doubtful likelihood of recovery. Management has also considered the expected outcome of the renegotiation of commercial terms with its related party as disclosed in Note 31(a).	We considered the directors' assessment of whether there was an impairment of the related party's balances due to an increase of credit risk. We examined the projected revenues and expenditure based on the restructured business terms and resultant cash flows of the related party to check that they are reasonable. We have considered the impact of reasonable sensitivities to key assumptions including growth, inflation and discount rates used by management in calculating the amounts recoverable and the reasonable of the impairment allowance. **Key observations:** Based on our procedures we found management's key assumptions in arriving at the impairment allowance to be appropriate.
ACQUISITION ACCOUNTING - WALL STREET ENGLISH LIMITED LIABILITY COMPANY As described in note 13 (b), the Group acquired Wall Street English Limited Liability Company (WSE) during the period resulting in goodwill of US$4.5 million. Management engaged external experts to assist them in the calculation of the purchase price allocation exercise that required the use of judgement including the identification and determination of fair value of separable intangible assets, determination of the consideration paid, fair value of acquired assets and liabilities in particular the fair value of deferred revenue at acquisition, deferred tax impacts, resulting goodwill and assessment of the related contracts with WSE. These are subjective in nature and are therefore susceptible to bias and errors.	With the use of our internal specialists we assessed the appropriateness of the methodology used by management and their external expert in identifying the intangibles assets acquired. We agreed the assets and liabilities considered by management's external expert to the audited acquisition balance sheet, and examined the key assumptions and estimates used in the determination of the fair values of the assets and liabilities acquired, such as gross profit margins for reasonableness by reference to historical margin and external information for similar industries. We checked the accuracy of the consideration paid to the acquisition contract. We reviewed the sale and purchase contracts with WSE to confirm that these did not have any terms that may impact the acquisition accounting values. We recalculated the resulting goodwill balance. **Key observations:** Based on our procedures we found management's key assumptions to be reasonable.
IMPAIRMENT REVIEW OF GOODWILL Goodwill is subject to annual review for indicators of impairment that requires the use of assumptions, including revenues, expenditures and discount rates, involving judgement and estimates that are susceptible to bias and errors.	We examined the cash flow forecast used by Management in their review for indicators of goodwill impairment and checked that the key assumptions used for discount rate, revenues and expenditures used in the forecasts are reasonable compared with historical data and external information. We have also checked the impact of sensitivities to key assumptions prepared by management, including growth, inflation and discount rates used in the cash flow forecasts. **Key observations:** Based on our procedures we found management's key assumptions to be within a reasonable range.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MYANMAR STRATEGIC HOLDINGS LIMITED

KEY AUDIT MATTER (CONTINUED)	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER (CONTINUED)
ADOPTION OF IFRS 16 'LEASES' The Group holds a number of leases and the adoption of IFRS 16 is therefore a significant change in accounting treatment for the Group. The calculation of lease assets and liabilities involve assumptions including the determination of suitable incremental borrowing rates ('IBR'). Changes to assumptions could result in a material change in the valuation of lease assets and liabilities therefore this was considered to be an area of audit focus.	Our audit procedures included the following: ■ Examined the key assumptions adopted by management in assessing the impact of IFRS 16, including the IBR applied with reference to external information where applicable. ■ Agreed the inputs of the calculation such as lease term, to the lease agreements and checked that right of use assets and lease liabilities are correctly calculated at transition and properly rolled forward to period end for a sample of leases; ■ Evaluated accounting treatment of rent concessions with reference to the requirements of the applicable accounting standards; ■ Evaluated right of use assets for impairment by examining the cash flow forecast used by Management in their review for indicators of impairment and checked that the key assumptions used for discount rate, revenues and expenditures used in the forecast are reasonable compared with historical data and available external information; and ■ Assessed financial statement disclosures for reasonableness and completeness **Key observations:** Based on the work performed, we consider the Group's approach to the adoption of and application of IFRS16 to be appropriate.
GOING CONCERN: In the second half of the financial period, the outbreak of Covid-19 became a global pandemic. Governments internationally have enforced various restrictions on society which has had a negative impact on the group's operations in Myanmar, Vietnam and Singapore. Additionally since the year end, a state of emergency has been declared in Myanmar where the group has significant operations. Whilst the exact impact to the group cannot be determined, management has carried out an assessment of the impact for a number of scenarios. The financial statements explain in note 2.1 how the Directors have formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group. That judgement is based on an evaluation of the inherent risks to the Group's business model, including the impact of Covid-19 and the state of emergency declared in Myanmar, and how those risks might affect the Group's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. As a consequence, going concern is considered a key audit matter.	Our audit work included, but was not restricted to, the following: ■ We obtained an understanding of the business model, objectives, strategies and related business risk, the measurement and review of the Group's financial performance including forecasting and budgeting processes and the Group's risk assessment process; ■ We evaluated the Directors' method including the relevance and reliability of underlying data used to make the assessment, whether assumptions and changes to assumptions from prior years are appropriate and consistent with each other. The key assumptions included projected revenue and related costs, which we assessed for reasonableness against historical data and economic growth in the relevant jurisdictions; ■ We examined management's analyses of changes in key assumptions including a reasonably possible (but not unrealistic) reduction in forecast revenue to understand the sensitivity in the cash flow forecasts for a period of twelve months from the date of approval of the financial statements. ■ We reviewed the reverse stress test analysis prepared by management to check when the Group will run out of cash and credit facilities. This included consideration of the prolonged impact on certain of the Group operations in Myanmar including the impact of ceasing operations for the review period and the probability of this occurring through inspection of post-year end results. ■ We evaluated the Directors' plans for future actions in relation to the going concern assessment including whether such plans are feasible in the circumstances. ■ We evaluated the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality for the Group financial statements as a whole was calculated at US$248,000 (2019: US$128,000) based on 1% of total assets (2019: 2% of net assets) on the basis that the Group is in its early stages of trading. Performance materiality was calculated at US$186,000 (2019: 96,000) based on 75% (2019: 75%) of materiality which was deemed appropriate with reference to our risk assessment, and consideration of the Group's control environment.

Materiality for significant components were calculated at between US$35,000 and US$100,000 (2019: between US$30,000 and US$62,000).

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of US$12,000 (2019: US$6,400). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group consists of the Parent Company located in Singapore and a number of trading components in Singapore, Myanmar and Vietnam. In addition to the Parent Company there are five significant components in Myanmar and one significant component in Vietnam, with four other components regarded as non-significant. All components were subject to full scope audits by BDO network member firms.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- issued detailed group audit instructions to the significant component auditors which included a risk assessment, having discussed these with the component auditors, and directions for work on key areas including the setting of component materiality levels and details of specific audit testing required;
- visited Group operations in Myanmar and also met the component auditors in Myanmar;
- performed remote reviews of the significant components working papers and held discussions with the component auditors;
- held regular discussions with component auditors to monitor and provided direction of work during execution and completion stages; and
- attended virtually the audit clearance meetings and certain Board meetings.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is 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, the Directors are responsible for assessing the Group'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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

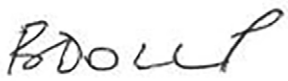
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with the terms of our engagement letter dated 8 January 2021. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



BDO LLP

Chartered Accountants

London

United Kingdom

30 March 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

	Note	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
		US$	US$
Revenue	4	10,156,856	4,424,892
Other income	5	147,400	4,932
Employee benefits expense	6	(8,702,024)	(3,847,090)
Depreciation expense	10	(374,451)	(61,484)
Amortisation expense	11, 12	(1,130,789)	(128,229)
Other expenses		(4,806,669)	(2,959,915)
Loss allowance on trade and other receivables	16	(3,395,740)	-
Finance cost	7	(640,435)	-
Loss before income tax	8	(8,745,852)	(2,566,894)
Income tax credit	9	38,693	30,330
Loss for the period/year		(8,707,159)	(2,536,564)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference in translation of foreign operations		(58,714)	-
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at FVOCI	14	(87,180)	-
Other comprehensive income for the period/year, net of tax		(145,894)	-
Total comprehensive income for the period/year, net of tax		(8,853,053)	(2,536,564)
Loss for the period/year attributable to:			
Owners of the parent		(8,683,164)	(2,534,646)
Non-controlling interests		(23,995)	(1,918)
		(8,707,159)	(2,536,564)
Total comprehensive income attributable to:			
Owners of the parent		(8,829,058)	(2,534,646)
Non-controlling interests		(23,995)	(1,918)
		(8,853,053)	(2,536,564)
Loss per share attributable to the owners of the Company (US$)			
- Basic and diluted	23	(3.40)	(1.03)

The accompanying notes form an integral part of these financial statements.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Note	30 September 2020	31 March 2019
ASSETS		**US$**	**US$**
Non-current assets			
Plant and equipment	10	1,157,024	536,556
Intangible assets	11	6,733,180	1,839,608
Right-of-use assets	12	9,310,027	-
Financial assets at FVOCI	14	675,574	150,000
Other receivables	16	520,892	-
Total non-current assets		**18,396,697**	**2,526,164**
Current assets			
Inventories	15	33,498	-
Trade and other receivables	16	2,393,068	4,166,647
Cash and cash equivalents	17	3,941,413	777,847
Total current assets		**6,367,979**	**4,944,494**
Total assets		**24,764,676**	**7,470,658**
LIABILITIES AND EQUITY			
Liabilities			
Non-current liabilities			
Contract liabilities	4	282,650	57,291
Loan from former immediate holding company	19	3,218,207	-
Lease liabilities	12	7,384,391	-
Deferred tax liabilities	20	245,731	46,196
Total non-current liabilities		**11,130,979**	**103,487**
Current liabilities			
Trade and other payables	18	2,363,108	783,766
Contract liabilities	4	4,898,069	173,692
Lease liabilities	12	1,960,731	-
Total current liabilities		**9,221,908**	**957,458**
Total liabilities		**20,352,887**	**1,060,945**
Equity			
Share capital	21	20,553,638	14,016,058
Accumulated losses		(16,517,220)	(7,860,436)
Other reserves	22	346,782	201,507
Equity attributable to owners of the Company		**4,383,200**	**6,357,129**
Non-controlling interests		28,589	52,584
Total equity		**4,411,789**	**6,409,713**
Total liabilities and equity		**24,764,676**	**7,470,658**

The financial statements were authorised and approved by the Board on 30 March 2021 and signed on their behalf by



Enrico Cesenni
Director and Chief Executive officer

The accompanying notes form an integral part of these financial statements.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

	Note	Share capital	Equity reserves	Share option reserve	Fair value reserve	Foreign exchange reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
30 September 2020		**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Balance as at 1 April 2019, as previously stated		14,016,058	(118,061)	319,568	-	-	(7,860,436)	6,357,129	52,584	6,409,713
Effect of transition to IFRS 16	2.1	-	-	-	-	-	26,380	26,380	-	26,380
Balance as at 1 April 2019, as restated		**14,016,058**	**(118,061)**	**319,568**	**-**	**-**	**(7,834,056)**	**6,383,509**	**52,584**	**6,436,093**
Total comprehensive income for the financial period:										
Loss for the financial period		**-**	**-**	**-**	**-**	**-**	**(8,683,164)**	**(8,683,164)**	**(23,995)**	**(8,707,159)**
Other comprehensive income		-	-	-	(87,180)	(58,714)	-	(145,894)	-	(145,894)
		-	**-**	**-**	**(87,180)**	**(58,714)**	**(8,683,164)**	**(8,829,058)**	**(23,995)**	**(8,853,053)**
Contribution by owners of the Company										
Issuance of shares	21	6,537,580	-	-	-	-	-	6,537,580	-	6,537,580
Recognition of share-based payments	22	-	-	291,169	-	-	-	291,169	-	291,169
		6,537,580	**-**	**291,169**	**-**	**-**	**-**	**6,828,749**	**-**	**6,828,749**
Balance as at 30 September 2020		**20,553,638**	**(118,061)**	**610,737**	**(87,180)**	**(58,714)**	**(16,517,220)**	**4,383,200**	**28,589**	**4,411,789**

The accompanying notes form an integral part of these financial statements.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

	Note	Share capital	Equity reserves	Share option reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
31 March 2019		**US$**	**US$**	**US$**	**US$**	**US$**	**US$**	**US$**
Balance as at 1 April 2018		**10,746,042**	**(37,457)**	**180,893**	**(5,325,790)**	**5,563,688**	**(26,322)**	**5,537,366**
Loss for the financial year, representing total comprehensive income for the financial year		-	-	-	(2,534,646)	(2,534,646)	(1,918)	(2,536,564)
Contribution by owners of the Company								
Issuance of shares	21	3,270,016	-	-	-	3,270,016	-	3,270,016
Recognition of share-based payments	22	-	-	138,675	-	138,675	-	138,675
		3,270,016	**-**	**138,675**	**-**	**3,408,691**	**-**	**3,408,691**
Change in ownership interest in a subsidiary								
Issuance of shares		**-**	(60,541)	-	-	(60,541)	60,841	300
Acquisition of non-controlling interest		-	(20,063)	-	-	(20,063)	19,983	(80)
Balance as at 31 March 2019		**14,016,058**	**(118,061)**	**319,568**	**(7,860,436)**	**6,357,129**	**52,584**	**6,409,713**

The accompanying notes form an integral part of these financial statements.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

	Note	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
		US$	US$
Operating activities			
Loss before income tax		(8,745,852)	(2,566,894)
Adjustments for:			
Interest income	5	(16,228)	(2,099)
Interest on lease liabilities	12	422,228	-
Interest on loan from former immediate holding company	7	218,207	-
Gain on liquidation of a subsidiary	5	-	(1,663)
Share-based compensation	6	291,169	138,675
Bad debts written off		-	28,657
Impairment loss on trade and other receivables	16	3,395,740	-
Impairment loss on intangible assets	8, 11	30,000	-
Loss on disposal of plant and equipment	8	-	1,015
Lease concession	12	(237,130)	-
Plant and equipment written off	8	60,012	19,801
Depreciation of plant and equipment	10	374,451	61,484
Amortisation expense		1,130,789	128,229
Unrealised exchange difference	11, 12	(17,768)	-
Operating cash flows before working capital changes		(3,094,382)	(2,192,795)
Working capital changes:			
Trade and other receivables		(538,478)	(344,546)
Deferred revenue		6,436	184,525
Inventories		(33,498)	-
Trade and other payables		5,277	139,077
Cash used in operations		(3,654,645)	(2,213,739)
Interest received		90	2,099
Income tax paid		(830)	(51,512)
Net cash used in operating activities		(3,655,385)	(2,263,152)
Investing activities			
Purchase of plant and equipment	10	(564,934)	(480,279)
Purchase of intangible assets	11	(44,198)	(90,000)
Advances to related parties		(974,447)	(770,811)
Advances to third parties		112,282	29,112
Acquisition of subsidiaries, net of cash acquired	13(b)(i)	262,316	(1,937,040)
Purchase of financial asset, at FVOCI	14	(460,174)	(150,000)
Net cash used in investing activities		(1,669,155)	(3,399,018)

The accompanying notes form an integral part of these financial statements.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

	Note	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
		US$	US$
Financing activities			
Acquisition of equity interest from non-controlling interests		-	(80)
Proceeds from subscription of shares by non-controlling interests		-	300
Proceeds from issuance of ordinary shares	21	6,385,000	3,070,000
Loan from former immediate holding company	19	3,000,000	-
Repayment of lease liabilities	12	(519,098)	-
Interest paid on lease liabilities	12	(422,228)	-
Net cash generated from financing activities		8,443,674	3,070,220
Net changes in cash and cash equivalents		3,119,134	(2,591,950)
Effect of exchange rate changes on cash and cash equivalents		44,432	-
Cash and cash equivalents at beginning of period/year		777,847	3,369,797
Cash and cash equivalents at end of period/year	17	3,941,413	777,847

The accompanying notes form an integral part of these financial statements.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Myanmar Strategic Holdings Limited (the "Company") (Registration Number 201302159D) is a public company limited by shares incorporated and domiciled in Singapore with its principal place of business and registered office at 80 Raffles Place #32-01, UOB Plaza, Singapore 048624. The Company was listed on the Main Market of London Stock Exchange on 22 August 2017.

The principal activities of the Company are investments and trading in Myanmar and Vietnam related projects. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

Until 29 September 2020, the Company's immediate and ultimate holding company is Macan Pte. Ltd. ("Macan"), a company incorporated and domiciled in Singapore. Related companies in these financial statements refer to the members of the Macan Group. On 30 September 2020, Macan ceased to administer the voting rights over the 151,500 ordinary shares held in the name of an individual shareholder. Accordingly, Macan has lost control over the Company and is now a corporate shareholder of the Company and former immediate and ultimate holding company.

The Company's subsidiaries in Myanmar changed their financial year end from 31 March to 30 September to be in line with the directives issued by the Myanmar Internal Revenue Department that all companies incorporated in Myanmar must change their financial year end to 30 September. As the Group has significant operations in Myanmar, the Company had changed its financial year end from 31 March to 30 September to be aligned with its subsidiaries in Myanmar.

The current financial period of the Group's financial statements covers a period of 18 months from 1 April 2019 to 30 September 2020 while the comparative financial year ended 31 March 2019 covers a period of 12 months from 1 April 2018 to 31 March 2019. As a result, the amounts presented in the financial statements are not entirely comparable.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in United States dollar ("US$") which is the functional currency and the presentation currency for the consolidated financial statements.

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have significant effect on the financial statements are disclosed in Note 3 to the financial statements.

CORONAVIRUS ("COVID-19") IMPACT

On 30 January 2020, the World Health Organisation ("WHO") declared the outbreak a Public Health Emergency of International Concern and was subsequently characterised as a pandemic on 11 March 2020. In response to the pandemic, governments from different countries around the world have implemented containment measures to varying degrees in a bid to curb the spread of the virus. As a result, there has been disruption to global trade due to restrictions for cross-border movement and reduced demand in discretionary activities.

The Covid-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movements controls and other measures imposed by the various governments. The Group's significant operations (Note 27 to the current report) are in Myanmar, Vietnam and Singapore all of which have been affected, by the spread of Covid-19 in 2020.

Set out below is the impact of Covid-19 on the Group's financial performance reflected in this set of financial statements for the financial period ended from 1 April 2019 to 30 September 2020.

- In 2020, border closures, production stoppages and workplace closures resulted in periods where the Group's operations were temporarily suspended to adhere to the movement control measures imposed by the governments of Myanmar and Vietnam. These negatively impacted business operation in 2020, resulting in a negative impact on the Group's financial performance.
- The Group has considered the market conditions including the impact of Covid-19 as at the reporting date, in making estimates and judgements on the recoverability of the assets as at 30 September 2020. The significant estimates and judgements applied are disclosed in Note 3.2 to the financial statements.

The recovery of the Group's operations and results is highly dependent on the containment of the Covid-19 locally and internationally and the timing of the availability of the vaccine. The diversification of the Group's operations between Myanmar and Vietnam should help mitigate the overall Covid-19 exposure of the Group.

As the global Covid-19 situation remains very fluid as at the date of issuance of these financial statements, the Group cannot reasonably ascertain the full extent of the probable impact of the Covid-19 disruptions on its operating and financial performance for the financial year ending 30 September 2021.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

GOING CONCERN ASSUMPTION

The Group recorded a net loss and net cash used in operating activities of US$8,707,159 and US$3,655,385, respectively for the financial period ended 1 April 2019 to 30 September 2020. The Group's net current liabilities were US$2,853,929.

The Board of Directors of the Company have carried out a detailed review of the 12 months cash flow forecast from the date of approval of the audited financial statements for the financial period ended from 1 April 2019 to 30 September 2020 of the Group.

The 12 months cash flow forecast was prepared based on multiple scenarios with consideration of the continuous effects of Covid-19, Myanmar's state of emergency impact as detailed in Note 31(b) to the financial statements and other available information about the future. Given the high level of uncertainty that these events creates, the Group conducted extensive stress-testing on the various possible impacts on the financial performance and cash flows of the Group and the length of time it will take for operational activities to recover from these effects according to business segments and countries the Group operates. One of the critical analysis applied is the worst case scenario of prolonged impact on certain business segments on the Group's operations in Myanmar including temporary cessation of business operations for the period under review.

The Directors have evaluated that there are sufficient mitigating actions within their control, such as significant reduction of operational activities of non-profitable business segments and reduction of discretionary expenditures to manage operational cost. The Directors of the Company are also satisfied that there are adequate credit facilities, including the drawing of existing unutilised credit facilities (Note 19) to fund its operations.

The former immediate holding company has undertaken not to demand repayment of the loan (Note 19) within the next 12 months from the date of approval of the financial statements for the financial period ended from 1 April 2019 to 30 September 2020. The Directors of the Company are of the opinion that no material uncertainty exists and the going concern basis is appropriate in the preparation of the financial statements.

CHANGES IN ACCOUNTING POLICIES

New standards, amendments and interpretations effective from 1 April 2019

The standards, amendments to standards, and interpretations that will for the first time by the Group do not impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies, except as detailed below.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease. IFRS 16 provides a single lessee accounting model which eliminates the distinction between operating and finance leases for lessees. IFRS 16 requires lessee to capitalise all leases on the consolidated statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the right-of-use assets will be amortised and the lease liabilities will be measured at amortised cost.

The Group applied IFRS 16 using the modified retrospective approach with the cumulative effect of initially applying this standard and adjustment to the opening accumulated losses as at 1 April 2019 (the "date of initial application"). The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

In applying the modified retrospective approach, the Group has taken advantage of the following practical expedients:

- Leases with a remaining term of twelve months from the date of initial application have been accounted for as short-term leases (i.e. not recognised on consolidated statement of financial position) even though the initial term of the leases from lease commencement date may have been more than twelve months; and
- For the purpose of measuring the right-of-use asset, hindsight has been used. Therefore, it has been measured based on prevailing estimates at the date of initial application and not retrospectively by making estimates and judgements (such as lease terms) based on circumstances on or after the lease commencement date.

As a lessee, the Group previously classified leases as finance or operating lease based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for most leases. For those low-value assets based on the value of the underlying asset when new and leases with a lease term of 12 months or less, the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to lease of international school building which had previously been classified as operating leases..

Lease liabilities from operating leases under the principles of IAS 17 were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 April 2019. The incremental borrowing rate applied to lease liabilities on 1 April 2019 was 6%.

The right-of-use assets were measured as follows:

(a) Properties: right-of-use assets are measured had IFRS 16 applied on commencement of the lease except that it is discounted using the lessee's incremental borrowing rate as at 1 April 2019, adjusted by the amount of any prepaid or accrued lease payments.

(b) All other leases: the carrying amount is determined as if IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients listed above.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

The effect of adopting IFRS 16 as at 1 April 2019 was as follows:	Increase/(Decrease) US$
Assets	
Right-of-use assets (Note 12)	3,651,192
Prepayment	(120,000)
Liabilities	
Lease liabilities	3,504,812
Equity	
Accumulated losses	26,380

The aggregate lease liabilities recognised in the consolidated statement of financial position as at 1 April 2019 and the Group's operating lease commitment as at 31 March 2019 can be reconciled as follows:

	US$
Operating lease commitment as at 31 March 2019 (Note 25)	720,000
Add: Effect of extension options reasonably certain to be exercised	3,840,000
	4,560,000
Effect of discounting using the incremental borrowing rate as at date of initial application	(1,055,188)
Lease liabilities as at 1 April 2019	3,504,812

Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions

On 9 October 2020, the EU adopted the amendments to IFRS 16 Covid-19 rent concessions to take effect from 1 June 2020, the Group has adopted these amendments early. The amendment provides a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the Covid-19 pandemic and satisfy the following criteria:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) The reduction is lease payments affects only payments originally due on or before 30 June 2021; and

(c) There are is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of a lease modification.

The Group has elected to apply the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Group, occurred from the Vietnam subsidiary. The impact of rent concession is netted off against rental expenses amounted to US$237,130.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

IFRSs issued but not yet effective

At the date of authorisation of these financial statements, the following IFRSs were issued but not yet effective and have not been early adopted in these financial statements:

		Effective date (annual periods beginning on or after)
IAS 1 and IAS 8 (Amendments)	: Definition of Material	1 January 2020
IAS 1 (Amendments)	: Classification of Liabilities as Current or Non-current	1 January 2023
IFRS 3 (Amendments)	: Definition of a Business	1 January 2020
IFRS 3 (Amendments)	: Reference to the Conceptual Framework	1 January 2022
IFRS 4 (Amendments)	: Extension of the Temporary Exemption from Applying IFRS 9	1 January 2023
IFRS 9, IAS 39, IFRS 7 (Amendments)	: Interest Rate Benchmark Reform	1 January 2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)	: Interest Rate Benchmark Reform - Phase 2	1 January 2021
IFRS 17	: Insurance Contracts	1 January 2023
IFRS 17 (Amendments)	: Various amendments	1 January 2023
IAS 16 (Amendments)	: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
IFRS 10 and IAS 28 (Amendments)	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
IAS 37 (Amendments)	: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various amendments	: References to the Conceptual Framework in IFRS Standards	1 January 2020
Various amendments	: Annual improvements to IFRSs 2018-2020	1 January 2022

Consequential amendments were also made to various standards as a result of these new or revised standards.

The Group expect that the adoption of the above IFRSs, if applicable, will have no material impact on the financial statements in the period of initial application.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

NON-CONTROLLING INTERESTS

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners). The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments*, or when applicable, the cost on initial recognition of an investment in an associate or join venture".

2.3 BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the acquisition method. The consideration transferred for the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes any contingent consideration measured at the fair value at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair values at the acquisition date.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition-date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase.

2.4 REVENUE RECOGNITION

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers are derived from fixed price contracts.

Contract liabilities are deferred revenue comprising management fees, students fees, new centre fee and other advance consideration received from customers and a related party. Deferred revenue is recognised as revenue when performance obligations under its contracts are satisfied.

RENDERING OF SERVICES

The Group provides security guarding, risk management and security training services to the customer over a specified contract period. The performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits of the Group's performance in providing the security services. As the Group's efforts or inputs are expended throughout the performance period, revenue is recognised on a straight-line basis over the specified contract period.

For certain contracts where the Group supplies security equipment and provides ad-hoc services such as journey management, revenue is recognised at point in time when goods and services are delivered.

TECHNICAL SUPPORT SERVICE FEES

Technical support service fees earned from hostels and language centres managed by the Group are recognised over time on a straight-line basis and when services are rendered with reference to the terms of the contracts.

MANAGEMENT FEES

Management fees earned from hostels, engineering college and language centres managed by the Group, under long-term contracts with the owners, are recognised over time on a straight-line basis as and when services are rendered with reference to the terms of the contracts. The fees are incentive fees, which are based on the profitability of these business operations and the amount of course modules to be delivered.

ROYALTY INCOME

Royalty income is recognised over time on an accrual basis with reference to the terms of the "Wall Street English" Centre Franchise Agreement. Royalty is determined based on the agreed royalty rate and the annual total gross revenue of the managed language centres in Myanmar.

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NEW CENTRE FEE

New centre fee for the opening of new "Wall Street English" language centre in Myanmar is recognised over the exclusive rights to develop and operate for a period of 10 years, the revenue of which is recognised on a straight-line basis.

STUDENT FEES

Student fees include the tuition fees and ancillary fees earned from the provision of Wall Street English language training in Vietnam and kindergarten to primary school education in Myanmar. Tuition fees are recognised over the duration of the course and when services are rendered with reference to the terms of the contract on a straight-line basis over the term of the courses. Ancillary fees are recognised at point in time when goods are delivered and over time on a straight-line basis, respectively according to the delivery of the performance obligations.

2.5 BORROWING COSTS

Borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

2.6 EMPLOYEE BENEFITS

RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund and Myanmar Social Security Benefit, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENTS

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial period.

2.7 SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments to certain employees.

Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding credit to the share-based payment reserve, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non-market-based vesting conditions. At the end of each financial period, the Group revises the estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period with a corresponding adjustment to the share-based payment reserve.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.8 TAXES

Income tax expense comprise current tax expense and deferred tax expense.

CURRENT INCOME TAX

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current income tax liabilities for the current and prior periods shall be measured at the amount expected to be paid to the taxation authorities, using the tax rates and tax laws in the countries where the Group operates, that have been enacted or substantively enacted by the end of the reporting period. Management evaluates its income tax provisions on periodical basis.

Current income tax expenses are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

DEFERRED TAX

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases of asset and liabilities, except when the temporary difference arises from the initial recognition of goodwill or other assets and liabilities that is not a business combination and affects neither the accounting profit nor taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates expected to apply for the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of reporting period. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

SALES TAX

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.9 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each financial period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign exchange reserve.

On disposal of a foreign operation, the accumulated foreign exchange reserve relating to that operation is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.10 PLANT AND EQUIPMENT

All items of plant and equipment are initially recognised at cost. The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

Plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight line method to allocate the depreciable amounts over their estimated useful lives on the following basis:

Computers and books	3 – 5 years
Furniture and fittings	3 – 7 years
Motor vehicles	5 years
Leasehold improvements	3 - 5 years

No depreciation is charged on construction-in-progress as they are not yet ready for their intended use as at the end of the reporting period.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial period.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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2.11 INTANGIBLE ASSETS

GOODWILL

Goodwill arising on the acquisition of a subsidiary or business represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill on subsidiary is recognised separately as intangible assets. Goodwill is initially recognised at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets acquired in a business combination are identified and recognised separately from goodwill if the assets and their fair values can be measured reliably. The cost of such intangible assets is their fair value as at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial period-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in profit or loss.

An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use of disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the financial period the asset is derecognised.

AREA DEVELOPMENT AND CENTRE FEES

An area development fee is paid for the exclusive rights to develop and operate the "Wall Street English" language centres in Myanmar while the centre fee is required to be paid in respect for the opening of a new "Wall Street English" language centre in Myanmar and Vietnam. The area development and centre fees are capitalised and amortised over the period of 10 years from the date operation commences and when the new centre commences operations respectively.

SET-UP FEE AND BRAND LICENSING FEE

Set-up fee is paid for the exclusive rights to develop and operate the "Auston" college in Myanmar. Brand licensing fee is paid for the exclusive, irrecoverable, non-transferrable rights of use of the licensed intellectual property and trademark for the operations of the Auston college. The set-up and brand licensing fees are capitalised and amortised over the period of 10 years from the date operation commences.

COMPUTER SOFTWARE LICENCE

Acquired computer software licence is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software licence is subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 3 years.

CUSTOMER-RELATED ASSETS

Customer-related assets comprise customer contracts and customer relationship arising from business combinations and are initially measured at fair value as at the date of acquisition. These assets are capitalised at fair value as at acquisition date and subsequently measured at cost less any accumulated amortisation and any accumulated losses.

Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives of 3 years.

2.12 IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL

At the end of each financial period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and

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whenever there is an indication that the asset may be impaired.

The recoverable amount of an asset or cash-generating unit ("CGU") is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.13 FINANCIAL INSTRUMENTS

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

FINANCIAL ASSETS

The Group classifies its financial assets into one of the categories below, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for each category is as follows:

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other financial assets are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayment and advances for hostel operations), loan receivables and cash and cash equivalents in the consolidated statement of financial position.

Equity instruments at fair value through other comprehensive income ("FVOCI")
The Group has strategic investments in the equity securities of listed and unlisted entities which are not accounted for as a subsidiary, associate or jointly controlled entity. For those equity instruments, the Group has made an irrevocable election to classify the investment at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investment carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Classification as debt or equity
Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Company classifies ordinary shares as equity instruments.

Financial liabilities
The Group classifies all financial liabilities as subsequently measured at amortised cost.

Trade and other payables
Trade and other payables, excluding advances received, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Loans from former immediate holding company
Interest-bearing loans from former immediate holding company is initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The differences between the carrying amount and the consideration paid is recognised in profit or loss.

2.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise of cash on hand, cash at bank and demand deposits which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.15 INVENTORIES

Inventories mainly comprise consumables are stated at the lower of cost and net realisable value. Costs comprise direct materials and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in first-out ("FIFO") method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.16 LEASES

AS LESSEE

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

INITIAL MEASUREMENT

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets (excluding those which meet the definition of investment property) and lease liabilities separately from other assets and other liabilities in the consolidated statement of financial position.

SUBSEQUENT MEASUREMENT

Right-of-use assets are subsequently measured at cost less any accumulated amortisation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are amortised on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets using the straight-line method, on the following bases:

International school building	10 years
Office premises and language centres	1-8 years
Motor vehicles	2.5 - 3 years

If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset.

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.12 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities and variable lease payments not included in the measurement of the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

ACCOUNTING POLICY PRIOR TO 1 APRIL 2019

As lessee

Operating leases

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.17 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.18 CONTINGENT LIABILITIES

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because:

  (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingencies are not recognised on the statements of financial position, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

2.19 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Chief Executive Officer who makes strategic decisions.

2.20 GOVERNMENT GRANT

Grants from government are recognised as receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivables are recognised as income over the periods necessary to match them with the related costs which they intended to compensate on a systematic basis. Government grants relating to expense are shown separately as other income.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 CRITICAL JUDGEMENTS MADE IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the financial statements.

(i) Evaluation of control over managed hostels, engineering college and language centres

Management has assessed if the management contracts with the owners of hostels, engineering college and language centres provide the Group control over these managed operations which would require these operations to be consolidated under IFRS 10. Management has determined that the Group does not control the underlying businesses or assets as the hostels, engineering college and language centres in Myanmar are owned by and licensed to their respective owners. The management arrangement is common in the leisure and hospitality sector and does not indicate control of the business or assets.

(ii) Determine the lease term

The Group leases international school building, office premise, language centres and motor vehicles. Included in the lease arrangement, there are extension and termination options held and exercisable only by the Group. In determining the lease term, management considers the likelihood of either to exercise the extension option, or not to exercise the termination option. Management considers all facts and circumstances that create an economic incentive to extend and economic penalty or costs relating to the termination of lease.

Management has included potential cash outflows of approximately US$7,000,000 in the measurement of lease liability for international school building and language centres, as it is reasonably certain that the extension option will be exercised. The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Loss allowance for trade and other receivables

The Group uses the simplified approach to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on various customers' historical observed default rates.

The Group will consider and assess the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the customers, the historical default rates are adjusted. At the end of each financial year, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Other than trade receivables, the Group assesses the credit risk of other receivables at each financial year on an individual basis, to determine whether or not there have been significant increases in credit risk since the initial recognition of these assets. To determine whether there is a significant increase in credit risks, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Where there is a significant increase in credit risk, the Group determines the lifetime expected credit loss by considering the loss given default, the probability of default

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

and exposure at default assigned to each counterparty customer. The financial assets are written off either partially or in full when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the trade and other receivables at the end of the financial period are disclosed in the Note 16 to the financial statements.

(ii) Valuation of intangible assets

On 14 July 2020, the Group completed the acquisition of Wall Street English Limited Liability Company (Vietnam) for a total consideration of US$100. The acquisition was accounted for using the acquisition method and management performed a Purchase Price Allocation ("PPA") exercise which involved identification and valuation of the acquired assets and liabilities as well as estimating the residual goodwill. Management identified fair value of the deferred revenue, borrowings and goodwill as detailed in Note 13 to the financial statements. The valuation of the fair value of the net identifiable assets and intangible assets involved significant estimates and key assumptions on the estimated average gross profit margins and discount rates used to derive the estimated fair values of financial liabilities acquired used in the revenue forecasts prepared by management.

The Group's carrying amount of intangible assets recognised as at 30 September 2020 is disclosed in Note 11 to the financial statements.

(iii) Impairment of goodwill and other intangible assets (area development and centre fees and customer related assets)

The management determines whether goodwill is impaired at least on an annual basis and as and when there is an indication that goodwill and other intangible assets may be impaired. Other intangible assets are assessed for indicators of impairment at the end of the financial period/year. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill and other intangible assets are allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable growth rate, gross margin and discount rate in order to calculate the present value of those cash flows.

The Group's carrying amount of intangible assets as at 30 September 2020 is disclosed in Note 11 to the financial statements.

(iv) Impairment of plant and equipment and right-of-use assets (ROU)

The Group carries out impairment assessment for certain plant and equipment and ROU where there is indication of an impairment. In carrying out the impairment assessment, management has identified the cash-generating units ("CGUs") to which the plant and equipment and ROU belong and determined the recoverable amounts of the CGUs by estimating the expected discounted future cash flows over the remaining useful lives of the plant and equipment/ROU. Estimating the recoverable amounts requires the Group to determine a suitable sales growth rate, gross margin, discount rate and to make an estimate of the expected future cash flows from the cash-generating unit in order to calculate the present value of those cash flows.

The carrying amounts of plant and equipment and right-of-use assets as at 30 September 2020 are as disclosed in Note 10 and Note 12, respectively to the financial statements.

(v) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers its own credit spread information from its recent borrowings, industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The incremental borrowing rate applied to lease liabilities as at 30 September 2020 is 6%. The carrying amount of lease liabilities as at 30 September 2020 was US$9,345,122. If the incremental borrowing rate had been 0.5% higher or lower than management's estimates, the Group's lease liabilities would have been lower or higher by approximately US$147,000.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

4. REVENUE

DISAGGREGATION OF REVENUE

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors; and
- enable users to understand the relationship with revenue segment information provided in Note 27 to the financial statements.

	Hospitality		Education		Security		Total	
	FPE2020	2019	FPE2020	2019	FPE2020	2019	FPE2020	2019
	US$	US$	US$	US$	US$	US$	US$	US$
Rendering of services	-	-	-	-	5,891,462	3,445,155	5,891,462	3,445,155
Technical support service fees	135,000	105,000	452,825	306,550	-	-	587,825	411,550
Management fees	-	-	712,727	329,085	-	-	712,727	329,085
Royalty income	-	-	315,452	232,435	-	-	315,452	232,435
New centre fee	-	-	11,250	6,667	-	-	11,250	6,667
Student fees	-	-	2,638,140	-	-	-	2,638,140	-
	135,000	105,000	4,130,394	874,737	5,891,462	3,445,155	10,156,856	4,424,892
Timing of transfer of services								
Point in time	-	-	7,860	-	484,698	243,174	492,558	243,174
Over time	135,000	105,000	4,122,534	874,737	5,406,764	3,201,981	9,664,298	4,181,718
	135,000	105,000	4,130,394	874,737	5,891,462	3,445,155	10,156,856	4,424,892

"FPE2020" refers to the 18-month financial period from 1 April 2019 to 30 September 2020. "2019" refers to the financial year from 1 April 2018 to 31 March 2019.

The timing of revenue recognition would affect the amount of revenue and deferred revenue recognised as at the reporting date in the statements of financial position.

	30 September 2020	31 March 2019
Contract liabilities	US$	US$
Deferred revenue	5,180,719	230,983
Analysed as:		
Current	4,898,069	173,692
Non-current	282,650	57,291
	5,180,719	230,983

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

(a) Significant changes in contract liabilities are as detailed below:

	30 September 2020	31 March 2019
	US$	US$
At 1 April	230,983	46,458
Cash received in advance of performance and not recognised as revenue		
- Acquisition of subsidiary	4,538,077	-
- Additions	3,664,305	305,692
	8,202,382	305,692
Revenue recognised during the financial period/year:		
- On contract liabilities balances at the beginning of the financial period/year	(173,692)	-
- On cash received in advance during the financial period/ year	(3,078,954)	(121,167)
At 30 September/31 March	5,180,719	230,983

(b) Remaining performance obligations

Non-current deferred revenue are in respect of cash received in advance of performance which will be recognised according to the following:

(i) Deferred revenue for new centres will be recognised over the remaining exclusive rights to develop and operate ranging from 6.5 to 8.5 (31 March 2019: 8 to 10) years.

(ii) Student fees for Wall Street English language training and primary school education are generally collected 1 to 12 months and 1 to 108 months respectively in advance of performance with reference to the individual terms of the student contracts. Deferred revenue from student fees are recognised over the duration of the respective courses and the remaining contract period ranging from 1 to 8 years.

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

	Within 1 year	Within 2 to 3 years	More than 4 years	Total
	US$	US$	US$	US$
As at 30 September 2020				
New centre fees	7,500	15,000	31,041	53,541
Student fees	4,849,528	156,629	79,980	5,086,137
Services	41,041	-	-	41,041
	4,898,069	171,629	111,021	5,180,719

	Within 1 year	Within 2 to 3 years	More than 4 years	Total
	US$	US$	US$	US$
As at 31 March 2019				
New centre fees	148,000	15,000	42,291	205,291
Services	25,692	-	-	25,692
	173,692	15,000	42,291	230,983

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

5. OTHER INCOME

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Foreign exchange gain, net	16,140	1,170
Interest income from bank deposits	90	2,099
Interest income from loan	16,138	-
Gain on liquidation of a subsidiary	-	1,663
Singapore - Government grant	17,828	-
Sales general and administrative support fee	78,966	-
Payables written off	10,066	-
Others	8,172	-
	147,400	4,932

6. EMPLOYEE BENEFITS EXPENSE

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Salaries and bonus *	8,369,934	3,649,126
Contributions to defined contribution plans	40,921	59,289
Share-based compensation (Note 22(v))	291,169	138,675
	8,702,024	3,847,090

* Included in these expenses are Directors' fees and remuneration as disclosed in Note 24 to the financial statements.

7. FINANCE COST

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Interest expense		
- Loans from former immediate holding company (Note 19)	218,207	-
- Lease liabilities (Note 12)	422,228	-
	640,435	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

8. LOSS BEFORE INCOME TAX

In addition to the charges disclosed elsewhere in the financial statements, the loss before income tax includes the following charges:

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Professional fees	1,045,190	894,816
Hostel related operating expenses	646,256	328,186
Short term lease expense	748,424	-
Variable lease payment	12,489	-
Rental expense on operating lease:		
- Operating lease of motor vehicle	-	291,098
- Rental of office and international school	-	263,447
Royalty expenses	305,748	248,300
Expenses pursuant to the on-going listing	234,734	175,743
Travelling expenses	121,076	130,631
Marketing expenses	367,676	34,337
Impairment loss on intangible assets	30,000	-
Bad debts written off	-	28,657
Plant and equipment written off	60,012	19,801
Loss on disposal of plant and equipment	-	1,015

9. INCOME TAX CREDIT

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Current income tax		
- under/(over) provision in respect of prior financial years	830	(8,048)
	830	(8,048)
Deferred income tax		
- current financial period/year	(39,523)	(22,282)
Total income tax credit recognised in profit or loss	(38,693)	(30,330)

The corporate income tax rate applicable to the Company and its subsidiaries in Singapore is at 17% (31 March 2019: 17%).

The Group has significant operations in Myanmar and Vietnam, for which the corporate income tax rate applicable are 25% (31 March 2019: 25%) and 20% (31 March 2019: not applicable) respectively.

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

The income tax expense varied from the amount of income tax expense determined by applying the Myanmar income tax rate of 25% (31 March 2019: 25%) to loss before income tax as a result of the following differences:

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Loss before income tax	(8,745,852)	(2,566,894)
Income tax calculated at Myanmar statutory tax rate of 25% (31 March 2019: 25%)	(2,186,463)	(641,724)
Effect of different income tax rates in other countries	108,208	100,429
Tax effect of non-allowable expenses	640,279	29,713
Income not subject to income tax	4,891	-
Deferred tax assets not recognised	1,393,562	489,300
Under/(over) provision of income tax in prior financial year	830	(8,048)
Total income tax credit recognised in profit or loss	(38,693)	(30,330)

Deferred tax assets have not been recognised in respect of the following items:-

	30 September 2020			31 March 2019		
	Singapore	Myanmar	Vietnam	Singapore	Myanmar	Vietnam
	US$	US$	US$	US$	US$	US$
Unutilised tax losses	4,075,774	6,346,965	1,635,827	3,083,208	472,319	2,854,119
Other temporary differences	129,805	-	-	130,843	-	-
	4,205,579	6,346,965	1,635,827	3,214,051	472,319	2,854,119
Unrecognised deferred tax assets on the above temporary differences	714,949	1,586,741	327,165	546,389	118,080	570,824

The unutilised tax losses above are subject to the agreement by the Myanmar, Vietnam and Singapore tax authorities. Deferred tax assets have not been recognised as it is uncertain that there will be sufficient future taxable profits to realise these future benefits. Accordingly, these deferred tax assets have not been recognised in the financial statements of the Group in accordance with the accounting policy in Note 2.8 to the financial statements.

The unutilised tax losses of Myanmar and Vietnam subsidiaries may be carried forward for a maximum period of 3 and 5 years, respectively and the unutilised tax losses of Singapore subsidiaries may be carried indefinitely subject to the conditions imposed by law.

The expiry dates of the Myanmar and Vietnam unutilised tax losses are as follows:

	30 September 2020			
	Singapore	Myanmar	Vietnam	Total
	US$	US$	US$	
Expiring in first year	-	466,181	-	466,181
Expiring in second year	-	850,686	-	850,686
Expiring in third year	-	5,030,098	-	5,030,098
Expiring in fourth year	-	-	1,635,827	1,635,827
	-	6,346,965	1,635,827	7,982,792

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	31 March 2019			
	Singapore	Myanmar	Vietnam	Total
	US$	US$	US$	
Expiring in first year	-	472,319	703,920	1,176,239
Expiring in second year	-	-	324,251	324,251
Expiring in third year	-	-	130,154	130,154
Expiring in fourth year	-	-	1,695,794	1,695,794
	-	472,319	2,854,119	3,326,438

The unutilised tax losses for financial year ended 31 March 2019 for Myanmar subsidiaries have been revised from US$1,512,996 to US$472,319 based on the latest approved tax assessment of the Inland Revenue of Myanmar to enhance the comparability with the current year's financial statements.

10. PLANT AND EQUIPMENT

	Computers and books	Furniture and fittings	Motor vehicles	Leasehold improvements	Construction-in-progress	Total
	US$	US$	US$	US$	US$	US$
30 September 2020						
Cost						
Balance as at 1 April 2019	58,986	122,159	93,870	-	323,595	598,610
Acquisition of subsidiary (Note 13(b)(i))	40,015	6,567	-	411,745	-	458,327
Additions	120,475	203,174	-	24,742	216,543	564,934
Reclassification	(11,162)	92,305	-	452,143	(533,286)	-
Written off	(1,316)	(20,596)	(49,063)	(9,318)	-	(80,293)
Foreign exchange difference	3,000	446	-	28,224	-	31,670
Balance as at 30 September 2020	209,998	404,055	44,807	907,536	6,852	1,573,248
Accumulated depreciation						
Balance as at 1 April 2019	17,983	32,119	11,952	-	-	62,054
Depreciation	62,763	110,988	13,517	187,183	-	374,451
Reclassification	10,715	(10,715)	-	-	-	-
Written off	(5,231)	(7,390)	(7,660)	-	-	(20,281)
Balance as at 30 September 2020	86,230	125,002	17,809	187,183	-	416,224
Net carrying amount						
Balance as at 30 Sep 2020	123,768	279,053	26,998	720,353	6,852	1,157,024
31 March 2019						
Cost						
Balance as at 1 April 2018	16,808	20,777	-	-	-	37,585
Acquisition of subsidiaries	-	67,747	53,627	-	-	121,374
Additions	43,417	73,024	40,243	-	323,595	480,279
Disposals	(1,239)	-	-	-	-	(1,239)
Written off	-	(39,389)	-	-	-	(39,389)
Balance as at 31 March 2019	58,986	122,159	93,870	-	323,595	598,610

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

	Computers and books	Furniture and fittings	Motor vehicles	Leasehold improvements	Construction-in-progress	Total
	US$	US$	US$	US$	US$	US$
31 March 2019						
Accumulated depreciation						
Balance as at 1 April 2018	6,306	14,076	-	-	-	20,382
Depreciation	11,901	37,631	11,952	-	-	61,484
Disposals	(224)	-	-	-	-	(224)
Written off	-	(19,588)	-	-	-	(19,588)
Balance as at 31 March 2019	17,983	32,119	11,952	-	-	62,054
Net carrying amount						
Balance as at 31 March 2019	41,003	90,040	81,918	-	323,595	536,556
Balance as at 31 March 2018	10,502	6,701	-	-	-	17,203

11. INTANGIBLE ASSETS

	Area development and centre fees	Set-up fee and brand licensing fee	Computer software licence	Customer-related assets	Goodwill	Total
	US$	US$	US$	US$	US$	US$
30 September 2020						
Cost						
Balance as at 1 April 2019	200,000	40,000	35,487	273,913	1,438,990	1,988,390
Acquisition of subsidiary (Note 13(b)(i))	179,227	-	22,529	-	4,514,304	4,716,060
Additions	-	-	44,198	-	-	44,198
Foreign exchange difference	16,145	-	1,690	-	338,565	356,400
Balance as at 30 September 2020	395,372	40,000	103,904	273,913	6,291,859	7,105,048
Accumulated amortization and impairment						
Balance as at 1 April 2019	35,833	4,000	19,819	89,130	-	148,782
Amortisation	30,042	6,000	27,912	129,132	-	193,086
Impairment loss	-	30,000	-	-	-	30,000
Balance as at 30 September 2020	65,875	40,000	47,731	218,262	-	371,868
Net carrying amount						
Balance as at 30 September 2020	329,497	-	56,173	55,651	6,291,859	6,733,180

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

	Area development and centre fees	Set-up fee and brand licensing fee	Computer software licence	Customer-related assets	Goodwill	Total
	US$	US$	US$	US$	US$	US$
31 March 2019						
Cost						
Balance as at 1 April 2018	150,000	-	20,000	-	-	170,000
Acquisition of subsidiaries	-	-	20,212	273,913	1,438,990	1,733,115
Additions	50,000	40,000	-	-	-	90,000
Written off	-	-	(4,725)	-	-	(4,725)
Balance as at 31 March 2019	200,000	40,000	35,487	273,913	1,438,990	1,988,390
Accumulated amortization and impairment						
Balance as at 1 April 2018	17,500	-	7,778	-	-	25,278
Amortisation	18,333	4,000	16,766	89,130	-	128,229
Written off	-	-	(4,725)	-	-	(4,725)
Balance as at 31 March 2019	35,833	4,000	19,819	89,130	-	148,782
Net carrying amount						
Balance as at 31 March 2019	164,167	36,000	15,668	184,783	1,438,990	1,839,608
Balance as at 31 March 2018	132,500	-	12,222	-	-	144,722

*The remaining useful lives of the area development, centre fees and customer related assets ranges between 1 to 10 (31 March 2019: 3 to 10) years. The amortisation period for certain area development and centre fees have been revised to 10 years following the acquisition of a subsidiary, Wall Street English Limited Liability Company, Vietnam ("WSE VN").

Goodwill acquired in a business combination is allocated to the cash-generating units ("CGUs") that are expected to benefit from that business combination, which is also the reportable operating segment. The management determines whether goodwill is impaired at least on an annual basis and as and when there is an indication that goodwill may be impaired. Other intangible assets with finite useful lives are assessed for indicators of impairment at the end of the financial year.

The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

During the financial period/year, management determined that there is no impairment of any of its group of CGUs containing goodwill or intangible assets with indefinite and finite useful lives except for the impairment loss of US$30,000 the set-up fee and brand licensing fee in respect of the operations for the Auston college in Myanmar. The recoverable amounts of these CGUs are determined on the basis of value-in-use calculations.

For presentation purposes, the carrying amounts of goodwill (excluding computer software/license) are allocated to the respective CGU have been group to the following segments:

	Education		Security services		Total	
	30 September 2020	31 March 2019	30 September 2020	31 March 2019	30 September 2020	31 March 2019
	US$	US$	US$	US$	US$	US$
Goodwill	4,852,869	-	1,438,990	1,438,990	6,291,859	1,438,990

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Due to the inherent uncertainty arising from the continually evolving Covid-19 situation, the Group had separately performed value-in-use calculations based on the expected cash flow approach in performing its impairment assessment this year. Under this approach, uncertainties about future outcomes are reflected by applying equal probability-weightage (i.e 25%) to the four different cash flow scenarios (best, base, negative and worst case).

The recoverable amounts of the CGUs are determined from value in use calculations based on cash flow forecasts derived from the most recent financial budgets approved by management for the next 5 years. The key assumptions for these value in use calculations are follows:

	Education		Security services	
	30 September 2020	31 March 2019	30 September 2020	31 March 2019
	%	%	%	%
30 September 2020				
Discount rate [1]	23 - 27	19	25	18
Growth rate [2]	12 - 13	2	11	3
Terminal value growth rate [3]	1 - 2	-	2	-

[1] Pre-tax discount rate applied to the cash flow projections.

[2] Average sales growth rate for the 5-year period.

[3] Terminal growth rate is used in the cash flow projections.

KEY ASSUMPTIONS USED IN THE VALUE-IN-USE CALCULATIONS

The calculations of value-in-use for all the CGUs are most sensitive to the following assumptions:

Sales growth rates – The forecasted sales growth rates are based on management estimates with reference to the historical trend as well as the forecasted economic condition over the budgeted period of 5 years.

Pre-tax discount rates – Discount rates are based on the Group's beta adjusted to reflect management's assessment of specific risks related to each of the cash generating units.

If any changes were made to the above key assumptions, the carrying amounts of the CGUs would not be materially different from their recoverable amounts.

12. LEASES

The Group leases a number of properties (i.e its international school building, office premises and language centres) in Myanmar and Vietnam. The Group's obligation under the lease is secured by the leased asset. The Group is restricted from assigning and subleasing the leased asset. These leases entered are with fixed payments over the lease terms except for the international school building. The lease for the international school building is for a period of 5 years, inclusive of a reasonably certain option to renew of 5 years. The lease includes variable rent payments ranging from 3.0% to 4.0% per annum of the annual gross student fees revenue from tuition fees earned by the Project over the rental period are not included in the measurement of lease liabilities and will be recognised in profit or loss as incurred.

The Group also leases certain items of machinery and equipment with only fixed payments over the lease terms.

Certain leases contain extension or termination option held and exercisable by the Group. The judgement used in determining the lease term is disclosed under Note 3.1 to the financial statements.

Certain motor vehicles and employees residences are leased, based on terms of 12 months or less. The Group applied the "short-term lease" recognition exemptions for these leases as the likelihood of renewal is remote or the leased motor vehicles are matched according to customers requirements which are on an ad-hoc basis or less than 1 year. The election of short-term leases exemption is made by class of underlying assets with similar nature and use in the Group's operations whereas the low-asset value lease exemption is made on lease-by-lease basis.

The majority of the extension options are exercisable by the Group and not by the lessor. The leases for certain leased properties contain extension periods, for which the related lease payments had not been included in the lease liabilities as the Group is not reasonably certain to exercise these extension options and the Group could replace these assets without significant cost or business disruption. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations to align with the Group's business requirements.

As at 30 September 2020, the Group has approximately US$418,000 of aggregate undiscounted commitments for short-term leases.

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(a) Right-of-use assets

	International school building	Office premise and language centres	Motor vehicles	Total
Cost	**US$**	**US$**	**US$**	**US$**
At 1 April 2019				
- Adoption of IFRS 16 (Note 2.1)	3,651,192	-	-	3,651,192
Additions	-	314,847	238,563	553,410
Acquisition of subsidiary (Note 13(b)(i))	-	5,621,515	-	5,621,515
Foreign exchange difference	-	421,613	-	421,613
At 30 September 2020	3,651,192	6,357,975	238,563	10,247,730
Accumulated depreciation				
At 1 April 2019				
Amortisation charge	561,722	368,974	7,007	937,703
At 30 September 2020	561,722	368,974	7,007	937,703
Net carrying amount				
At 30 September 2020	3,089,470	5,989,001	231,556	9,310,027

(b) Lease liabilities

	International school building	Office premise and language centres	Motor vehicles	Total
	US$	**US$**	**US$**	**US$**
At 1 April 2019				
- Adoption of IFRS 16 (Note 2.1)	3,504,812	-	-	3,504,812
- Addition	-	314,847	238,563	553,410
Acquisition of subsidiary (Note 13(b)(i))	-	5,621,515	-	5,621,515
	3,504,812	5,936,362	238,563	9,679,737
Interest expense (Note 7)	330,020	91,053	1,155	422,228
Lease concession	-	(237,130)	-	(237,130)
Lease payment				
- Principal portion	(389,980)	(122,673)	(6,445)	(519,098)
- Interest portion	(330,020)	(91,053)	(1,155)	(422,228)
Foreign exchange differences	-	421,613	-	421,613
At 30 September 2020	3,114,832	5,998,172	232,118	9,345,122

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The maturity analysis of lease liabilities of the Group at the reporting date are as follows:

	30 September 2020 US$
Contractual undiscounted cash flows	
Not later than a year	2,444,284
Between one and two years	3,692,973
Between two and five years	4,907,073
	11,044,330
Less: Future interest expense	(1,699,208)
Present value of lease liabilities	9,345,122
Presented in consolidated statement of financial position	
- Current	1,960,731
- Non-current	7,384,391
	9,345,122

The currency profiles of lease liabilities of the Group at the reporting date are as follows:

	30 September 2020 US$
United States Dollar	6,370,216
Myanmar Kyat	115,081
Vietnamese Dong	2,859,825
At 30 September	9,345,122

(c) Amount recognised in profit or loss

	30 September 2020 US$
Amortisation of right-of-use assets	937,703
Interest expense on lease liabilities	422,228
Lease concession	(237,130)
Lease expense not capitalised in lease liabilities:	
- Expense relating to short-term leases	760,913
Total amount recognised in profit or loss	1,883,714

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13. INVESTMENTS IN SUBSIDIARIES

The following are all the subsidiary companies of the group that have been included in the group financial statements.

The particulars of the subsidiaries are as follows:

Name of Company (Country of incorporation and principal place of business)	Principal activities	Legal interest held by Company		Effective interest held by Company		Proportion of ownership held by non-controlling interests	
		30.09.2020	31.03.2019	30.09.2020	31.03.2019	30.09.2020	31.03.2019
		%	%	%	%	%	%
Held by the Company							
Myanmar Strategic Services Pte. Ltd. ("MSS") [1] (Singapore)	Investing and trading in Myanmar-related investment projects and providing consultancy services	100	100	100	100	-	-
Myanmar Strategic Leisure Pte. Ltd. ("MSL") [1] (Singapore)	Investing and trading in Myanmar-related investment projects and providing consultancy services	100	100	100	100	-	-
MS English Pte. Ltd. ("MS English") [1] (Singapore)	Investing and trading in Myanmar-related investment projects and providing consultancy services	100	100	100	100	-	-
MS English 2 Pte. Ltd. ("MS English 2") [1] (Singapore)	Investing and trading in Vietnam-related investment projects and providing consultancy services	100	-	100	-	-	-
MS Auston Pte. Ltd. ("MS Auston") [1] (Singapore)	Investing and trading in Myanmar-related investment projects and providing consultancy services	70	70	70	70	30	30
American International Partners Limited ("AIP") [2] (Myanmar)	Providing consultancy and advisory service and project management for international and national companies and organisation and operating international schools in Myanmar	100	100	100	100	-	-
Held through Myanmar Strategic Services Pte. Ltd.							
EXERA Myanmar Limited ("EXERA Myanmar") [2] (Myanmar)	Providing safety and security services	100	100	100	100	-	-
EXERA Journey Management Limited ("EXERA Journey") [2] (Myanmar)	Liquidated	-	100	-	100	-	-

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Name of Company (Country of incorporation and principal place of business)	Principal activities	Legal interest held by Company		Effective interest held by Company		Proportion of ownership held by non-controlling interests	
		30.09.2020	31.03.2019	30.09.2020	31.03.2019	30.09.2020	31.03.2019
		%	%	%	%	%	%
Held through Myanmar Strategic Leisure Pte. Ltd.							
L Partners Limited ("L Partners") [2] (Myanmar)	Providing consultancy, advisory and project management services in the leisure and hospitality sector in Myanmar	100	100	100	100	-	-
Kipling Global Hospitality Group Limited ("Kipling") [2] (Myanmar)	In liquidation	100	100	100	100	-	-
Held through MS English Pte. Ltd.							
E Partners Limited ("E Partners") [2] (Myanmar)	Providing consultancy, advisory and project management services in the education sector in Myanmar	100	100	100	100	-	-
Held through MS English 2 Pte. Ltd.							
Wall Street English Limited Liability Company ("WSE Vietnam") [3] (Vietnam)	Foreign language training	100	-	100	-	-	-
Held through MS Auston Pte. Ltd.							
A Partners Limited ("A Partners") [2] (Myanmar)	Providing consultancy, advisory and project management services in the education sector in Myanmar	70	70	70	70	30	30

[1] Audited by BDO LLP, Singapore.

[2] Audited by BDO Consulting (Myanmar) Co. Ltd, for consolidation purposes and JF Group Certified Public Accountants and Auditors, Myanmar for statutory reporting in Myanmar.

[3] Audited by BDO Audit Services Co., Ltd. (Vietnam) for consolidation purposes and for statutory reporting in Vietnam.

a) Newly incorporated subsidiary

MS English 2 Pte Ltd ("MSE2")

MS English 2 Pte Ltd was incorporated on 13 May 2020 in the Republic of Singapore with an issued paid-up share capital of US$100, which was fully subscribed by Myanmar Strategic Holdings Ltd.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

b) Acquisition of subsidiary

i) Wall Street English Limited Liability Company ("WSE Vietnam")

On 14 July 2020, subsidiary company, MSE2 acquired 6,000,000 ordinary shares in the share capital of WSE Vietnam representing 100% of the equity interest for a total cash consideration of US$100.

The Group made a loan of US$1,500,000 to WSE Vietnam before the acquisition, which is taken as part of the consideration in the investment of the new subsidiary.

Co-terminus to the acquisition and subject to the completion of the acquisition of WSE Vietnam, the former ultimate holding company of WSE Vietnam and the former immediate holding company of the Company has agreed to subscribe to the ordinary shares of the Company as detailed in Note 21(i) to the financial statements.

The acquisition forms part of Group's expansion and diversification plan into Vietnam, representing a new geographical segment to the Group.

The fair values of the identifiable assets and liabilities of WSE Vietnam as at the date of acquisition were:

	Fair value recognised on date of acquisition
	US$
Plant and equipment	458,327
Intangible assets	201,756
Right-of-use assets	5,621,515
Cash and cash equivalents	1,762,416
Trade and other receivables	710,491
Trade and other payables	(2,870,024)
Deferred revenue	(4,538,112)
Lease liabilities	(5,621,515)
Deferred tax liabilities	(239,058)
Net identifiable liabilities at fair value	(4,514,204)
Cash consideration	100
Goodwill arising from acquisition	4,514,304

WSE Vietnam recorded revenue and loss after tax of approximately US$19,403,000 and US$134,000 for the financial period from 1 April 2019 to 30 September 2020. From the date of acquisition, WSE Vietnam contributed approximately revenue at US$1,983,834 and profit after tax of US$261,794 to the Group. If the combination had taken place at the beginning of the financial period, the Group's revenue and loss, net of tax would have been approximately US$27,576,000 and US$9,451,000, respectively.

Goodwill arising from the acquisition is attributable to the expected synergies from combining the operations of the Group with those of WSE Vietnam. None of the goodwill is expected to be deductible for tax purposes.

Transaction costs of US$244,147 related to the acquisition have been recognised in the "Other expenses" line item in the Group's profit or loss for the period ended from 1 April 2019 to 30 September 2020.

The effects of the acquisition of the WSE Vietnam on cash flows are as follows:

	US$
Total consideration for equity interest acquired	(100)
Loan advanced pre-acquisition	(1,500,000)
Add: Cash and bank balances of subsidiaries acquired	1,762,416
Net cash inflow on acquisition	262,316

c) Non-controlling interests ("NCI")

There are no subsidiaries with material NCI as at 30 September 2020 and 31 March 2019.

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14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2020	31 March 2019
	US$	US$
At 1 April	150,000	-
Additions	612,754	150,000
Fair value recognised in other comprehensive income	(87,180)	-
At 30 September/31 March	675,574	150,000

	30 September 2020	31 March 2019
	US$	US$
Unlisted equity security	-	150,000
Listed equity instruments		
- London Stock Exchange (Alternative Investment Market)	675,574	-
	675,574	150,000

The Group designated these investments in quoted and unquoted equity securities to be measured at fair value through other comprehensive income ("FVOCI") as at 30 September 2020. The Group intends to hold these investments for long-term for appreciation in value as well as strategic investment purposes.

The Group completed the acquisition of 897,500 shares representing 2.35% equity interest in Myanmar Investments International Limited ("MIL") from Civetta Capital Ltd at a price of US$0.68 per MIL ordinary share for a total consideration of US$610,305 on 28 September 2020. The consideration comprised:

(i) cash amount of US$460,174 (inclusive transaction cost of US$2,449); and

(ii) remaining balance of US$152,580 through issuance of 7,629 new ordinary shares of the Company at a price of US$20 per share.

The investment in listed equity instrument has no fixed maturity date nor coupon rate. The fair value of the equity instrument is based on quoted bid market price on the last market day of the financial period.
The fair value of the unlisted equity instrument was valued using valuation techniques that are commonly used by market participants. Please refer to Note 29 for more information on fair value measurement of this unlisted equity instrument.

The FVOCI are denominated in United States dollar as at reporting date.

15. INVENTORIES

Inventories of the Group consist of uniform, raw material - fabric, merchandise and academic books.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

16. TRADE AND OTHER RECEIVABLES

	30 September 2020	31 March 2019
Current	**US$**	**US$**
Trade receivables		
Third parties	694,598	548,705
Related party	893,234	545,265
Total trade receivables	1,587,832	1,093,970
Other receivables		
Related party	3,506,890	2,532,443
Less: Loss allowances	(3,395,740)	-
	111,150	2,532,443
Third parties	280,237	392,609
Less: Loss allowances	(280,237)	(280,237)
	-	112,282
Advances for hostel operations	-	87,064
Advances	2,927	-
Sundry receivables	143,846	12,419
Deposits	51,644	27,987
Prepayments	495,669	300,482
Total other receivables	805,236	3,072,677
Total trade and other receivables (current)	2,393,068	4,166,647
Non-current		
Deposits	520,892	-
Total other receivables (non-current)	520,892	-
Total trade and other receivables	2,913,960	4,166,647
Less: Prepayments	(495,669)	(300,482)
Less: Advances for hostel operations	-	(87,064)
Less: Advances	(2,927)	-
Add: Cash and cash equivalents (Note 17)	3,941,413	777,847
Financial assets at amortised costs	6,356,777	4,556,948

TRADE AND OTHER RECEIVABLES

Trade receivables are non-interest bearing and are generally on 15 to 60 (31 March 2019: 15) days credit term. They are measured at their original invoice amounts which represent their fair value on initial recognition.

The trade and non-trade amounts due from related parties of US$893,234 (31 March 2019: US$545,265) and US$3,506,890 (31 March 2019: US$ 2,532,443) are amounts due from a company where a Director of the subsidiaries has beneficial interests.

Amounts due from related parties are non-trade in nature, unsecured, interest-free and are repayable on demand.

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EXPECTED CREDIT LOSS ALLOWANCES

i) Amount due from a related party

During the current financial period, loss allowances of US$3,395,740 was made for the non-trade amounts due from a related party in respect of payments made on behalf and advances for the operation of the managed language centres in Myanmar. Based on the financial information of the related party, continuous losses is expected and the likelihood of recovery is in doubt. Management has also considered the expected outcome of the renegotiation of commercial terms with its related party subsequent to the reporting period. Further details are as disclosed in Note 28.1 and Note 31(a) to the financial statements.

ii) Amount due from third parties

In prior years, allowance for impairment of receivables from third parties of US$280,327 was made in respect of advances to the owners of the hostels under management as two of the hostels under management experienced continuous losses and recoverability is in doubt.

The Group may commit to provide annual or monthly advances to the owners of the managed hostels pursuant to each operation and management agreement. If the managed hostels do not meet the agreed performance measures, such advances are recognised as hostel related operating expenses in the profit or loss.

The Group's trade and other receivables balances are denominated in the following currencies:

	30 September 2020	31 March 2019
	US$	US$
United States dollar	1,434,707	3,956,087
Myanmar Kyats	537,131	182,237
Vietnamese Dong	879,571	-
Singapore dollar	11,969	10,470
British Pound	20,021	-
Euro	30,561	17,853
	2,913,960	4,166,647

17. CASH AND CASH EQUIVALENTS

	30 September 2020	31 March 2019
	US$	US$
Cash at bank	3,851,472	758,535
Cash on hand	89,941	19,312
	3,941,413	777,847

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Cash and cash equivalents are denominated in the following currencies:

	30 September 2020	31 March 2019
	US$	US$
United States dollar	3,143,133	625,610
Singapore dollar	94,325	40,699
Myanmar Kyat	97,659	110,239
Vietnamese Dong	606,181	-
Euro	115	1,299
	3,941,413	777,847

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18. TRADE AND OTHER PAYABLES

	30 September 2020	31 March 2019
	US$	US$
Trade payables		
Third parties	687,020	75,610
Accrued royalty expenses	-	16,754
Total trade payables	687,020	92,364
Other payables		
Third parties	293,477	68,599
Former immediate holding company	4,180	4,180
Accruals	1,378,431	618,623
Total other payables	1,676,088	691,402
Total trade and other payables	2,363,108	783,766
Add: Loan from former immediate holding company (Note 19)	3,218,207	-
Add: Lease liabilities (Note 12)	9,345,122	-
Financial liabilities carried at amortised cost	14,926,437	783,766

Trade amounts due to third parties are unsecured, non-interest bearing and is on 15 to 45 (31 March 2019: 15) days credit term.

The non-trade amounts due to third parties and former immediate holding company are unsecured, interest-free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	30 September 2020	31 March 2019
	US$	US$
United States dollar	540,247	359,794
Singapore dollar	73,977	70,781
Myanmar Kyat	308,205	210,769
Vietnamese Dong	1,343,463	-
Pound Sterling	97,216	142,422
	2,363,108	783,766

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19. LOAN FROM FORMER IMMEDIATE HOLDING COMPANY (UNSECURED)

On 1 July 2019, the Group secured a loan facility of up to US$3,000,000 with its former immediate holding company. The Loan Facility is repayable no later than 30 June 2022 and may be repayable earlier at the Group's discretion and hears semi-annual interest at 6% per annum. As at reporting date, the loan has been fully drawn down by the Group.

On 23 March 2020, the former immediate holding company has granted the Group an additional loan facility of up to US$4,000,000. The Loan Facility is repayable no later than 30 June 2022 and may be repayable earlier at the Group's discretion and bears semi-annual interest at 6% per annum. Subsequent to the reporting date, a loan of US$1,500,000 has been drawn down by the Group.

As at 30 September 2020, included in loan from former immediate holding company is accrued interest of US$218,207.

The former immediate holding company has indicated that it will not demand repayment within the next 12 months from the date of the audited financial statements of the Group.

20. DEFERRED TAX LIABILITIES

	30 September 2020	31 March 2019
	US$	US$
At 1 April	46,196	-
Acquisition of subsidiary (Note 13(b)(i))	239,058	68,478
Credited to profit or loss	(39,523)	(22,282)
At 30 September/31 March	245,731	46,196

Deferred tax liabilities relates to temporary differences between the tax written down values and the carrying amounts of intangible assets in relation to the acquisition of WSE Vietnam in the current period (2019: acquisition of EXERA Group).

21. SHARE CAPITAL

	30 September 2020	31 March 2019	30 September 2020	31 March 2019
	Number of shares		US$	US$
Issued and fully paid ordinary shares:				
At 1 April	2,478,041	2,317,133	14,016,058	10,746,042
Shares issued during the financial period/year	326,879	160,908	6,537,580	3,270,016
At 30 September/31 March	2,804,920	2,478,041	20,553,638	14,016,058

During the financial period, the following shares were issued:

i) Certain corporate shareholders have agreed to subscribe to the ordinary shares of the Company contingent to the completion of the acquisition of WSE Vietnam as detailed in Note 13 to the financial statements. On 1 June 2020 and 20 July 2020, the Company issued 112,500 and 187,500 ordinary shares to these corporate shareholders at US$20 per share for a total cash consideration of US$2,250,000 and US$3,750,000, respectively.

ii) On 17 August 2020, in respect of the launch of a share issuance programme, the Company issued 19,250 ordinary shares at US$20 per share for a total cash consideration of US$385,000.

iiii) On 28 September 2020, the Company issued 7,629 ordinary shares at US$20 per share amounting to US$152,580 as part of the purchase consideration for the acquisition of investment in financial assets at FVOCI as disclosed in Note 14 to the financial statements.

In the previous financial year, the following shares were issued:-

i) On 29 May 2018, the Company issued 7,408 ordinary shares at US$27 per share as part of the purchase consideration of EXERA Group, representing fair value of US$200,016.

ii) On 31 May 2018, issuance of 153,500 ordinary shares to a group of existing and new shareholders at US$20 per share for a total cash consideration of US$3,070,000.

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The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

22. OTHER RESERVES

	30 September 2020	31 March 2019
	US$	US$
Share option reserve	610,737	319,568
Fair value reserve	(87,180)	-
Equity reserve	(118,061)	(118,061)
Translation reserve	(58,714)	-
At 30 September/31 March	346,782	201,507

i) Equity reserves
The equity reserve represents the effects of changes in ownership interests in subsidiaries when there is no change in control (Note 13).

ii) Accumulated losses
Accumulated losses represent all other net gains and losses and transactions with owners not recognised elsewhere.

iii) Foreign exchange reserve
The foreign currency translation reserve of the Group represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. This is non-distributable and the movements in this account are set out in the statements of changes in equity.

iv) Fair value reserve

	30 September 2020
	US$
At 1 April	-
Changes in fair value during the period	(87,180)
At 30 September	(87,180)

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets measured at FVOCI until they are derecognised. Upon derecognition, the cumulative fair value changes will be transferred to retained earnings.

v) Share option reserve

	30 September 2020	31 March 2019
	US$	US$
At 1 April	319,568	180,893
Share option expense	291,169	138,675
At 30 September/31 March	610,737	319,568

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the forfeiture of the share options.

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MSH EMPLOYEE SHARE OPTION SCHEME ("MSH ESOS")

At an Extraordinary General Meeting held on 28 April 2017, the shareholders approved the share option scheme known as MSH ESOS with effect from the date of conversion of the Company into a public company limited by shares on 6 December 2016. The Group had on 23 May 2017, 1 December 2017, 17 October 2018 and 21 July 2020 entered into share option agreements with the employees and Directors of the Group to allot and issue 117,000, 13,000, 72,000 and 61,500 share options, respectively.

Statutory and other information regarding MSH ESOS are set out below:

(a) Consideration payable by each option holder for the grant is US$1.

(b) Exercise price is US$11.00 per ordinary share.

(c) Options can be exercised during the period commencing on the grant date and terminating on the tenth anniversary of the grant date for up to 200,000 ordinary shares with no par value in the capital of the Company ("Option Shares").

(d) Options granted will vest with effect as follows:

  (i) from the second anniversary in respect of 50 percent of the Option Shares.

  (ii) from the third anniversary in respect of a further 30 percent of the Option Shares.

  (iii) from the fourth anniversary in respect of a further 20 percent of the Option Shares.

(e) Options will only be exercisable in respect of Option Shares that have already vested.

(f) If the participants cease to be director or employee of the Company and its subsidiaries at any time, then the Option will only be exercisable in respect of the Option Shares that have vested prior to the date of termination.

The weighted average fair value of the share options granted during the financial period was US$3.75 (31 March 2019: US$4.90). These granted share options have a weighted average contractual life of 7.92 years (31 March 2019: 8.79 years).

These fair values were calculated using the Black-Scholes pricing model using the following assumptions:

	Grant date			
	23 May 2017	1 December 2017	17 October 2018	21 July 2020
	US$	US$	US$	US$
Fair value at grant date (US$)	4.48	7.09	5.17	5.13
Grant date share price (US$)	10	13	10	10
Exercise price (US$)	11	11	11	11
Expected volatility	33.91%	36.07%	38.43%	42.92%
Option life	10 years	10 years	10 years	10 years
Risk-free annual interest rate	2.28%	2.36%	3.21%	0.60%

Expected volatility was determined by calculating the historical volatility share price over a period of ten years of comparable companies in similar industries. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of US$291,169 (31 March 2019: US$138,675) related to equity-settled share-based payment transactions during the financial period/year.

The following reconciles the share options outstanding at the start of the financial period/year and at end of the financial period/year.

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	30 September 2020		31 March 2019	
	Number	Weighted average exercise price (US$)	Number	Weighted average exercise price (US$)
		US$		US$
At 1 April	149,000	11	126,000	11
Granted	61,500	11	72,000	11
Forfeited	(10,500)	11	(49,000)	11
At 30 September	200,000	11	149,000	11

During the financial period, 5,000, 2,500 and 3,000 share options which were granted on 23 May 2017, 1 December 2017 and 17 October 2018, respectively had forfeited as these participants ceased to be employees of the Company.

In the previous financial year, 40,000, 8,000 and 1,000 share options which were granted on 23 May 2017, 1 December 2017 and 17 October 2018, respectively had forfeited as these participants ceased to be employees of the Company.

23. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
Numerator		
Loss for the financial period/year attributable to the owners of the parent (US$)	(8,683,164)	(2,534,646)
Denominator		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	2,554,397	2,453,229
Loss per share (US$)		
Basic and diluted	(3.40)	(1.03)

In the current financial period and previous financial year, diluted loss per share is the same as the basic loss per share because the dilutive potential ordinary shares to be exercised are anti-dilutive as the effect of the shares conversion would be to decrease the loss per share.

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24. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial period/year, in addition to the information disclosed elsewhere in these financial statements, the Group entered into the following significant transactions with related parties at rates and terms agreed between the parties:

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
With related parties*:		
-Technical support service fees	452,825	306,550
-Management fee	312,227	239,585
-Royalty income	297,251	214,585
-Advances	1,304,594	770,811
With a Director of the subsidiaries:		
- Professional fees	117,000	108,000

* Related parties refer to entities where a Director of the subsidiaries have beneficial interests.

The outstanding balances as at 30 September 2020 and 31 March 2019 with related parties are disclosed in Notes 16 to the financial statements, respectively.

KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company's key management personnel are the Directors of the Company and its subsidiaries.

The remuneration of key management personnel of the Company and its subsidiaries during the financial period/year are as follows:

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Short-term benefits	1,209,259	429,398
Post-employment benefits	10,221	12,281
Other staff benefits	57,384	16,835
Share-based compensation	150,011	102,923
	1,426,875	561,437

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25. OPERATING LEASE COMMITMENTS

The minimum lease commitment under non-cancellable operating lease is in respect of the Group as at the end of the reporting period is as follows:

	31 March 2019
	US$
Within a year	720,000

Leases are negotiated and rentals are fixed for a period of 2 years with the first and second options to renew for another 3 and 5 years, respectively at the prevailing market rates. Apart from the above lease commitment, the Group is required to pay contingent rentals based on percentage of group revenue derived from operations at the rented premises.

26. CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised in the financial statements are as follows:

	30 September 2020	31 March 2019
	US$	US$
Capital expenditure contracted but not provided for – plant and equipment	-	330,205

27. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (Note 2.19). Management considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in these primary geographic areas: Singapore, Myanmar and Vietnam.

For management purposes, the Group is organised into business units based on its services, and has four reportable operating segments as follows:

(a) Hospitality – Provision of consultancy, advisory and project management services in the leisure and hospitality sectors in Myanmar;

(b) Education – Provision of English language training, kindergarten to primary school education (K-12 education), consultancy, advisory and project management services in the education sector in Myanmar and in Vietnam; and

(c) Services – Provision of consultancy, advisory and project management services in the service sector in Myanmar, focusing initially on security services; and

(d) Others – Corporate services to provide management and marketing support to respective entities of the Group.

"Other" segments includes the Group's remaining minor trading and investment holding activities which are not included within reportable segments as they are not separately reported to the chief operating decision maker and they contribute minor amounts of revenue to the Group.

The Group's reportable segments are strategic business units that are organised based on their function and targeted customer groups. They
are managed separately because each business unit requires different skill sets and marketing strategies.

Management monitors the operating results of the segments separately for the purposes of making decisions about resources to be allocated and assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

Income taxes are managed by the management of respective entities within the Group.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. There is no asymmetrical allocation to reportable segments. Management evaluates performance on the basis of profit or loss from operations before income tax expense not including non-recurring gains and losses and foreign exchange gains or losses. There is no change from prior periods in the measurement methods used to determine reported segment profit or loss.

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BUSINESS SEGMENT

	Hospitality	Education	Services	Others	Total
30 September 2020	**US$**	**US$**	**US$**	**US$**	**US$**
Revenue	135,000	4,130,394	5,891,462	-	10,156,856
Cost of services and royalties	(646,256)	(1,820,826)	(4,569,272)*	-	(7,036,354)
Transaction cost for acquisition	-	(244,147)	-	-	(244,147)
Other expenses	(654,397)	(7,864,593)**	(1,515,898)	(1,734,719)#	(11,769,607)
Other income	4,957	83,174	23,388	35,881	147,400
Segment loss	(1,160,696)	(5,715,998)^	(170,320)	(1,698,838)	(8,745,852)
Income tax (expense)/ credit	(52)	7,240	31,505	-	38,693
Loss for the period	(1,160,748)	(5,708,758)	(138,815)	(1,698,838)	(8,707,159)
Other non-cash items:					
Depreciation of plant and equipment	(26,202)	(312,239)	(34,926)	(1,084)	(374,451)
Amortisation of ROU asset	-	(923,867)	(13,836)	-	(937,703)
Amortisation of intangible assets	-	(55,048)	(138,038)	-	(193,086)
Interest expense on lease liabilities	-	(419,911)	(2,317)	-	(422,228)
Impairment loss of financial assets	-	(30,000)	-	-	(30,000)
Impairment loss on trade and other receivables	-	(3,395,740)	-	-	(3,395,740)
Plant and equipment written off	-	-	(60,012)	-	(60,012)
Reportable segment assets	128,389	19,274,966	2,615,444	2,070,303	24,089,102
Investment in FVOCI	-	-	-	675,574	675,574
Total Group's assets					24,764,676
Included in the segment assets:					
Additions:					
- Plant and equipment	14,380	500,794	48,328	1,432	564,934
- Right-of-use assets	-	244,605	308,805	-	553,410
- Intangibles	-	43,198	1,000	-	44,198
Additions to non-current assets from acquisition of subsidiary	-	11,312,925	-	-	11,312,925
Reportable segment liabilities	(383,503)	(15,496,729)	(585,959)	(3,640,965)	(20,107,156)
Deferred tax liabilities	-	(231,818)	(13,913)	-	(245,731)
Total Group's liabilities					(20,352,887)

* Cost of services and royalties from "Services" segment comprise mainly employee benefits expenses amounting to US$3,852,769 for the financial period ended from 1 April 2019 to 30 September 2020.

** Other expenses from the "Education" segment comprise mainly impairment loss on amount due from a related party amounting to US$3,395,740 for the financial period ended from 1 April 2019 to 30 September 2020.

Other expenses from the "Others" segment comprise mainly employee benefits expense and expenses pursuant to the on-going listing amounting to US$851,842 and US$234,734, respectively for the financial period ended from 1 April 2019 to 30 September 2020.

^ The loss from the 'Education' segment includes the loss from Yangon American International School amounting to US$2,163,312 for the financial period ended from 1 April 2019 to 30 September 2020.

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	Hospitality	Education	Services	Others	Total
31 March 2019	**US$**	**US$**	**US$**	**US$**	**US$**
Revenue	105,000	874,737	3,445,155	-	4,424,892
Cost of services and royalties	(328,186)	(252,938)	(2,500,315) *	-	(3,081,439)
Transaction cost for acquisition	-	-	(146,449)	(154,258)	(300,707)
Other expenses	(54,065)	(893,097)**	(1,080,584)	(1,583,993) #	(3,611,739)
Other income	29	82	919	1,069	2,099
Segment loss	(277,222)	(271,216)	(281,274)	(1,737,182)	(2,566,894)
Income tax (expense)/ credit	(1,262)	-	31,592	-	30,330
Loss for the period	(278,484)	(271,216)	(249,682)	(1,737,182)	(2,536,564)
Other non-cash items:					
Depreciation of plant and equipment	(17,748)	(11,024)	(31,432)	(1,280)	(61,484)
Amortisation of intangible assets	-	(29,000)	(99,229)	-	(128,229)
Impairment loss on trade and other receivables	(17,677)	(8,819)	(2,161)	-	(28,657)
Plant and equipment written off	-	-	(19,801)	-	(19,801)
Reportable segment assets	241,568	4,144,364	2,541,934	392,792	7,320,658
Investment in FVOCI	-	-	-	150,000	150,000
Total Group's assets					7,470,658
Included in the segment assets:					
Additions to non-current assets	72,755	488,628	8,461	435	570,279
Additions to non-current assets from acquisition of subsidiaries	-	-	1,854,489	-	1,854,489
Reportable segment liabilities	228,410	212,195	234,375	339,769	1,014,749
Deferred tax liabilities	-	-	46,196	-	46,196
Total Group's liabilities					1,060,945

* Cost of services and royalties from "Services" segment comprise mainly employee benefits expenses amounting to US$2,046,899 for the financial year ended 31 March 2019.

** Other expenses from the "Education" segment include US$361,687 pre-operating losses in relation to Yangon American.

\# Other expenses from the "Others" segment comprise mainly employee benefits expense and expenses pursuant to the on-going listing amounting to US$541,073 and US$175,743, respectively for the financial year ended 31 March 2019.

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GEOGRAPHICAL INFORMATION

The Group's business segments operates in three main geographical areas. Revenue is based on the country in which the customers are located. Segmental non-current assets consist primarily of non-current assets other than financial instruments and deferred tax assets. Segment non-current assets are shown by geographical area in which the assets are located.

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Revenue		
Singapore	903,277	643,985
Myanmar	7,269,745	3,780,907
Vietnam	1,983,834	-
	10,156,856	4,424,892
Segment non-current assets		
Singapore	178,051	206,582
Myanmar	5,804,293	2,169,582
Vietnam	11,217,887	-
	17,200,231	2,376,164

Non-current assets consist of plant and equipment, intangible assets and right-of-use assets (2019: plant and equipment and intangible assets) in the statement of financial position of the Group.

28. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's activities have exposure to credit risks, market risks (including foreign currency risks, interest rates risks and equity price risk) and liquidity risks arising in the ordinary course of business. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's exposure to these financial risks or the manner in which the risks are managed and measured, except for the Covid-19 impact on the trade and other receivables due from a related party and subsidiaries.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

28.1 CREDIT RISKS

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults or requiring advance payments from customers. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require collaterals.

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Board of Directors determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis.

Excluding the amounts due from a related party, the Group has significant credit exposure arising from 15 (31 March 2019: 5) trade receivables arising amounting to US$335,125 (31 March 2019: US$328,910), representing 48% (31 March 2019: 60%) of the total trade receivables from trade receivables from third parties.

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The Group has significant credit exposure arising from trade and non-trade receivables due from a related party amounting to US$893,234 and US$111,150 (31 March 2019: US$545,265 and US$2,532,443), representing 42% (31 March 2019: 74%) of the total trade and other receivables.

As the Group does not hold any collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that financial instruments presented in the consolidated statement of financial position.

EXPECTED CREDIT LOSS ASSESSMENT FOR TRADE RECEIVABLES FROM THIRD PARTIES

The Group applies the simplified approach to measure the expected credit losses for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing.

The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Board of Directors has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries.

The following table provides information about the exposure to credit risk and expected credit loss for the Group's trade receivables from third parties as at 30 September 2020.

	30 September 2020	31 March 2019
	US$	US$
Current	629,195	393,774
Past due 1 to 30 days	42,208	147,581
Past due 31 to 60 days	22,913	3,669
Past due over 60 days	282	3,681
	694,598	548,705

The Group has assessed that the trade receivables due from third parties are subject to immaterial expected credit losses.

EXPECTED CREDIT LOSS ASSESSMENT FOR TRADE AND OTHER RECEIVABLES DUE FROM A RELATED PARTY AND SUBSIDIARIES AND LOAN RECEIVABLES DUE FROM A SUBSIDIARY

Movement in the loss allowance for other receivables are as follows:

	30 September 2020	31 March 2019
	US$	US$
At 1 April	280,327	550,327
Loss allowance recognised during the period/year	3,395,740	-
Receivable written off as uncollectible	-	(270,000)
At 30 September/31 March	3,676,067	280,327

For amount due from a related party (Note 16), Board of Directors has taken into account information that it has available internally about this related party's past, current and expected operating performance and cash flow position. Board of Directors monitors and assess at each reporting date on any indicator of significant increase in credit risk on the amount due from the respective subsidiaries and a related party, by considering their performance and any default in external debts. Based on their review, loss allowance of US$3,395,740,was made for amount due from a related party relating to other receivables for the operation of the managed language centres as the likelihood of recovery is remote and in doubt.

Except for the trade amounts due from a related, full impairment has been made on amounts due from a related party as detailed in Note 16 to the financial statements.

Other than those credit impaired, the Board of Directors have determined that the risk of default is considered to be minimal as the amount due from related party has sufficient liquid assets and cash to repay their debts. Therefore, these receivable balances have been measured based on 12-month expected credit loss model and subject to immaterial credit loss.

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OTHER RECEIVABLES DUE FROM THIRD PARTIES

For other receivables, the Board of Directors adopts a policy of dealing with high credit quality counterparties. Board of Directors monitors and assess at each reporting date on any indicator of significant increase in credit risk on these other receivables. Full impairment have been made on amounts due from third parties in respect of advances to the owners of the hostels. Other than those impaired as detailed in Note 16 to the financial statements, other receivables are measured at 12-month expected credit loss model and subject to immaterial credit loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are mainly deposits with reputable banks with high credit ratings assigned by international credit rating agencies.

The cash and cash equivalents are held with bank and financial institution which are rated Baa2 to Aaa, based on Moody's rating. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment on cash and cash equivalents has been measured on the 12-month expected loss model. At the reporting date, the Group did not expect any credit losses from non-performance by the counterparties.

The cash and cash equivalents are categorised under the following countries:

	30 September 2020	31 March 2019
	US$	US$
Myanmar	318,031	259,300
Singapore	2,112,379	518,547
Vietnam	1,511,003	-
	3,941,413	777,847

28.2 MARKET RISKS

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk), interest rates (interest rate risk) or other market factors (equity price risk).

FOREIGN CURRENCY RISKS

Foreign exchange risk arises when individual entities within the Group enters into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow individual entities within the Group to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency.

Where individual entities within the Group have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

The breakdown of the carrying amounts of financial assets and financial liabilities at the reporting date by currency are as follows:

	30 September 2020	31 March 2019
	US$	US$
Financial assets		
United States dollar	5,147,615	4,214,349
Singapore dollar	94,325	45,442
Myanmar Kyat	529,273	278,005
Vietnamese Dong	1,261,023	-
Euro	115	19,152

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	30 September 2020	31 March 2019
	US$	US$
Financial liabilities		
United States dollar	(10,128,670)	(359,794)
Singapore dollar	(73,977)	(70,781)
Myanmar Kyat	(423,286)	(210,769)
Vietnamese Dong	(4,203,288)	-
Pound Sterling	(97,216)	(142,422)

Foreign currency sensitivity analysis
The following table details the Group's sensitivity to a 10% (31 March 2019: 10%) change in Myanmar Kyat ("MMK"), Pound Sterling ("GBP") and Vietnamese Dong ("VND"), respectively against United States dollar. The sensitivity analysis assumes an instantaneous 10% (31 March 2019: 10%) change in the foreign currency exchange rates from the end of the financial period, with all variables held constant.

	Gain / (loss)	
	30 September 2020	31 March 2019
	US$	US$
MMK		
Strengthen against United States dollar	10,599	6,724
Weaken against United States dollar	(10,599)	(6,724)
GBP		
Strengthen against United States dollar	(9,722)	(14,242)
Weaken against United States dollar	9,722	14,242
VND		
Strengthen against United States dollar	(294,227)	-
Weaken against United States dollar	294,227	-

The Group is not exposed to any significant interest rate risk as at reporting date as it does not have significant interest bearing financial assets and liabilities. The Group is primary exposed to fixed rate interest bearing loans from former immediate holding company. Accordingly, interest rate risk sensitivity analysis disclosure is deemed not necessary.

EQUITY PRICE RISKS

The Group holds strategic equity investments in other companies where those complement the Group's operations (see Note 14 to the financial statements). The directors believe that the exposure to market price risk from this activity is acceptable in the Group's circumstances.

Equity price sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to equity price risks at each reporting date.

The effect of a 20% (2019: 20%) increase in the value of the equity investments held at the reporting date would, all other variables held constant, have resulted in an increase in the fair value through other comprehensive income reserve and net assets of $135,115 (31 March 2019: $30,000). A 20% decrease in their value would, on the same basis, have decreased the fair value through other comprehensive income reserve and net assets by the same amount.

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28.3 LIQUIDITY RISKS

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected to pay. The table includes both expected interest and principal cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	US$	US$	US$
Group			
30 September 2020			
Trade and other payables	2,363,108	-	-
Loans from former immediate holding	-	3,564,387	-
Lease liabilities	2,444,284	3,692,973	4,907,073
	4,807,392	7,257,360	4,907,073
31 March 2019			
Trade and other payables	783,766	-	-
	783,766	-	-

29. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

FINANCIAL INSTRUMENTS AND MEASUREMENTS

Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and bank balances, trade and other receivables (excluding prepayments and advances for hostel operations) and trade and other payables. Due to their short-term nature, the carrying amount of these current financial assets and financial liabilities measured at amortised costs approximate their fair value.

The carrying amounts of the non-current loan due to former immediate holding company approximates its fair value as the fixed interest rate approximates market interest rates for such liabilities.

Financial instruments carried at fair value classified by level of fair value hierarchy are as follows:

	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
30 September 2020				
Financial assets				
Financial assets at FVOCI	675,574	-	-	675,574
31 March 2019				
Financial assets				
Financial assets at FVOCI	-	-	150,000	150,000

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There were no transfers between levels during the period.

The financial instruments included in level 1 are traded in active market and their fair values are based on quoted market prices at the reporting date.

The financial instruments that are not traded in active markets comprise unquoted equity instruments. Quoted equity securities (Level 3): The fair value is determined based on price to earnings ratio computed valued based on available internal information adjusted for the effect of non-marketability of the equity investment and lack of control.

Significant unobservable inputs:
- Discount for lack of marketability ("DLOM") of 40%
- Discount for lack of control ("DLOC") of 24.4%

Inter-relationship between key unobservable inputs and fair value
Increased DLOM and DLOC would decrease fair value; lower DLOM and DLOC would increase fair value.

There have been no changes in the valuation techniques of the various classes of financial instruments during the financial period.

30. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group manages its capital to ensure that the Group is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value. The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issues new shares or sell assets to reduce debts.

The capital structure of the Group consists of equity attributable to the equity holder of the Company comprising issued capital, other reserves and loan from former immediate holding company.

The Group's management reviews the capital structure on an annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group's overall strategy remains unchanged from 31 March 2019.

The Group is not subject to externally imposed capital requirements for the financial period/year ended 30 September 2020 and 31 March 2019.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as loans from former immediate holding company, lease liabilities less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	30 September 2020	31 March 2019
	US$	US$
Net debt	8,621,916	(777,847)
Total equity	4,411,789	6,409,713
Total capital	13,033,705	5,631,866
Gearing ratio	66.2%	(13.8%)

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

31. SUBSEQUENT EVENTS

a) Renegotiation of commercial terms with a related party

As a result of the Covid-19 outbreak and the worsening of the overall trading conditions in the education sector, the Group is also in the process of reviewing the key terms of its operating and management agreement with its related party, TED Limited.
The outcome of the renegotiation may include changes to the existing Operating and Management and Technical Support Services agreements which could result in E Partners Limited to own, operate and manage the Wall Street English language learning centres in Myanmar. Thereafter, TED Limited will sub-lease the language centre premises and provide management services to the Group.

As at reporting date, loss allowances were made for certain trade and other receivables due from related party, TED Limited as disclosed in Note 16 to the financial statements.

b) Myanmar's State of Emergency Impact

On 1 February 2021, the Myanmar military announced, via the military-owned news channel Myawaddy News, that it had declared a state of emergency for a period of up to one year.

The announcement stated that the Commander-in-Chief of the Defence Services, Min Aung Hlaing, shall be in power for the duration of the state of emergency, while Vice President U Myint Shwe shall serve temporarily as President. It was reported in the Myanmar Times that, earlier in the day, State Counsellor Daw Aung San Suu Kyi, President U Win Myint and other National League for Democracy ("NLD") officials across the country were detained by the military, ahead of the first parliamentary sessions, scheduled to take place later in the day.

From a business perspective, the Group's American International School and language centres continue to deliver their education services online and offline while its security services business segment remains integral to secure embassies, NGOs and national infrastructure. The Group's Ostello Bello boutique hostels remain closed, pursuant to the active Covid-19 restrictions in Myanmar.

As part of the Group's geographical and economic risk management, the Group has mitigated these risks by diversifying through the acquisition of Wall Street English Limited Liability Company, a company incorporate in Vietnam in the business of provision of education services under the franchise of Wall Street English which will contribute more than 50% of the Group's estimated revenues for financial year ending 30 September 2021.

As Myanmar's state of emergency remains in place as at the date of issuance of these financial statements, the Group cannot reasonably ascertain the full extent of the probable impact of the State of Emergency disruptions on its operating and financial performance for the financial year ending 30 September 2021. The diversification of the Group's operations between Myanmar and Vietnam should help mitigate the overall Covid-19 and geographical risk exposure to the Group.

MYANMAR STRATEGIC HOLDINGS LIMITED (SHWE : LN) IS AN INDEPENDENT DEVELOPER AND MANAGER OF CONSUMER BUSINESSES LOCATED IN ASEAN, HOME TO SOME OF THE FASTEST GROWING ECONOMIES IN THE WORLD.

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