ASIA STRATEGIC HOLDINGS

ANNUAL REPORT 2020/2021

Developing people and businesses in emerging Asia



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STRATEGIC REPORT

FINANCIAL HIGHLIGHTS

All dates for the reporting period refer to the financial year ended 30 September 2021 ("FYE 2021"), unless otherwise stated.

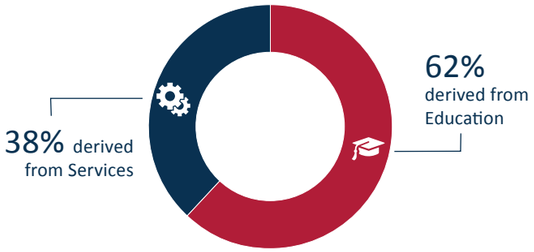
The comparative period refers to the 18-month financial period from 1 April 2019 to 30 September 2020 ("FPE 2020").

The period on period ("POP") growth or decline refers to any change that occurred between FYE 2021 and FPE 2020.

- Group revenues for FYE 2021 increased 48% vs. FPE 2020 to US$15.0 million, of which 62% derived from Education and 38% derived from Services.
- The increase in the Group's revenue and higher contribution from the Education segment is due to (i) the consolidation of Wall Street English Vietnam ("WSE Vietnam") since the completion of its acquisition on 14 July 2020 and (ii) the growth of the Wall Street English Myanmar ("WSE Myanmar") owned business following the review and amendment of certain existing management agreements with a related party.
- The Group Adjusted EBITDA loss for FYE 2021 narrowed to US$0.9 million, a significant improvement vs. the adjusted EBITDA loss of US$2.9 million for FPE 2020.
- The Group net loss for FYE 2021 narrowed to US$5.9 million (FPE 2020: US$8.7 million), including the impact of (i) an additional impairment of an amount due from a related party of US$1.0 million (FPE 2020: US$3.4 million), (ii) the continued impact of Covid-19 on the Myanmar and Vietnam operations, (iii) the disruption linked to the military takeover initiated in Myanmar on 1 February 2021 (the "State of Emergency"), (iv) a subdued tourism market impacting the Hospitality segment and (v) the increase in amortisation of right-of-use assets arising from the consolidation of the WSE Vietnam leases and six new leases entered in respect of the WSE Myanmar language centres, the Auston campus and a corporate office.
- The Group net comprehensive loss for FYE 2021 narrowed to US$6.3 million (FPE 2020: US$8.9 million).
- Underlying revenues, an indicator of the volume of business generated by both the owned and managed businesses, increased 11% vs. FPE 2020 to US$16.3 million of which 65% derived from Education and 35% from Services.
- During FYE 2021, the Company maintained loan facilities of up to US$7.0 million with Macan, the largest shareholder of the Company, with US$5.5 million drawn-down as at 30 September 2021.
- Management believes that the Group has sufficient liquidity for its working capital requirements for at least the next 12 months from the date of this report given (i) the unutilised headroom of US$1.5 million under the outstanding US$3 million loan facility with Macan and (ii) the US$5.7 million convertible notes raised in November 2021 subsequent to the financial year end and disclosed in note 29 to the Financial Statements.

48% increase in group revenues vs. FPE 2020

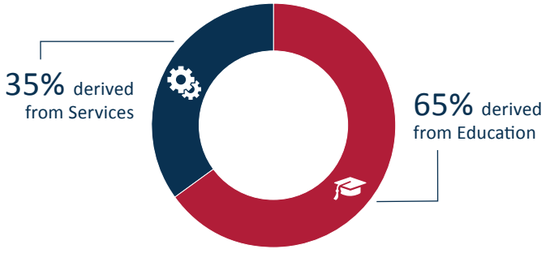
US$15.0 million





11% increase in underlying revenues of managed and owned businesses vs. FPE 2020

US$16.3 million



STRATEGIC REPORT

OPERATIONAL HIGHLIGHTS

EDUCATION

- Group revenues from owned and managed education businesses for FYE 2021 were US$8.8 million and US$0.5 million (FPE 2020: US$2.6 million and US$1.5 million), respectively.
- In FYE 2021, the owned and managed education businesses generated underlying revenues of US$10.6 million (FPE 2020: US$7.8 million), an increase of 36% POP.
- The Group's Education segment is currently operating the Group's owned businesses and servicing Legacy Students for the managed business for a related party, comprising:
  - I. English language learning (Wall Street English) in Vietnam and Myanmar;
  - II. Tertiary education (Auston) in Myanmar; and
  - III. K-12 international school (Yangon American International School) in Myanmar.
- Through these businesses Asia Strategic provides education services to students from nursery up to tertiary / higher education. The Wall Street English language learning centres complement the other education brands and provide synergistic value to the Group.
- As at 30 September 2021, the number of Wall Street English centres and students by country are as follows:

	WSE centres		WSE students	
	FYE 2021	FPE 2020	FYE 2021	FPE 2020
Vietnam	7	7	3,300	6,000
Myanmar	4	4	1,900	2,000
Total	**11**	**11**	**5,200**	**8,000**

- The decrease in students experienced by WSE Vietnam at the financial year was mainly due to the extensive Covid-19 restrictions implemented from August 2021 and the overall re-organisation of the business, notwithstanding its online teaching capabilities.
- Despite intermittent closures of centres due to Covid-19 restrictions and the State of Emergency in Myanmar, WSE Myanmar was able to maintain the student numbers by quickly adapting and developing online teaching capabilities and increase in marketing and promotional activities.



SERVICES

- Group revenues from its Services businesses for FYE 2021 were US$5.6 million, a remarkable result when compared to the US$5.9 million revenues generated in FPE 2020, a longer financial period.
- Through its Services segment, 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 operates exclusively in Myanmar through an experienced workforce of ca. 1,600 security officers, as at 30 September 2021 servicing a wide range of international and local clients.
- Acquired by the Group in May 2018, EXERA operates exclusively in Myanmar through an experienced workforce of ca. 1,600 security officers, as at 30 September 2021 servicing 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 financial year were US$13,000 (FPE 2020: US$135,000). The lower 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 which resulted in the Group's boutique hostels remaining closed for most of FYE 2021.
- Under its Hospitality business, the Group manages 474 beds , spread over 108 rooms in four locations across Bagan, Mandalay and Nyaung Shwe in Myanmar.
- While evaluating the long-term potential of its Hospitality business in Myanmar, the Group's main focus is to contain operational losses and generate operational synergies to offset the current challenging operating environment in the Myanmar tourism sector.
- Furthermore, Ostello Bello Mandalay hosts several teachers and security personnel providing a safe and secure base in Mandalay for the Group and surrounding communities.

OTHERS

- Asia Strategic continues to develop its business network and expand its pipeline within the Group's existing sectors (e.g. Education and Services) and new sectors (e.g. Technology).
- While gradually building a stronger presence on-the-ground in Vietnam, the Group intends to seek new opportunities and looks to enter into synergistic acquisitions throughout emerging Asia to diversify the Group's geographical exposure.
- As at 30 September 2021, the Group invested in the listed equity security of Myanmar Investments International Limited ("MIL"), a Myanmar-focused investment company listed on the AIM market of the London Stock Exchange with investments in the telecommunications and financial sectors. The Group intends to hold the investment for long-term strategic purposes and capital appreciation and therefore designated this investment as financial assets at fair value through other comprehensive income. The investment is carried at fair value based on the quoted bid market price on the last trading day of the reporting date.
- As at 30 September 2021, the Group recorded a fair value adjustment loss in the other comprehensive income of US$0.4 million (FPE 2020: loss of US$0.1 million). As at that date, the audited net asset value reported by MIL has decreased by 27.5 per cent to US$25.6 million (FPE 2020: US$35.3 million), equivalent to US$0.67 (FPE 2020: US$0.93) per share.



STRATEGIC REPORT

SIGNIFICANT EVENTS AND TRANSACTIONS

1) RENEGOTIATION OF KEY COMMERCIAL TERMS WITH A RELATED PARTY

As a result of the Covid-19 outbreak and deterioration of the overall trading conditions in the education sector, the Group renegotiated certain key commercial terms of its operating and management agreement with a related party, TED Limited ("TED").

Effective 1 October 2020, the Group will continue to provide operating, management and technical support services for TED's existing student contracts ("Legacy Students") in relation to the Wall Street English language learning centres and Auston in Myanmar for a fee over a remaining period of approximately two years.

Additionally, TED will continue to be an asset partner to the Group, sub-leasing and providing property management services to the Group for a period of ten years. Co-terminus to the arrangements above, the Group had leased its corporate office, premises for its English language centres and engineering campus ("Education campuses") from TED to operate and manage its own Wall Street English language learning centres and Auston campus in Myanmar.

As at 30 September 2021, the net carrying amounts of rights-of-use assets ("ROU") and lease liabilities arising from the leasing of office and Education premises from TED from a related party of the Group, amounted to US$2.9 million and US$2.6 million (FPE 2020: Nil), respectively.

2) IMPACT OF MYANMAR'S STATE OF EMERGENCY AND CORONAVIRUS ("COVID-19")

On 1 February 2021, the Myanmar military announced that it had declared a State of Emergency. In the short aftermath of the military takeover, the Group's businesses were disrupted intermittently due to (i) outages in telecommunication, (ii) imposition of martial law in certain townships, (iii) widespread demonstrations and, subsequently (iv) increased security risks. The political situation is evolving daily and the outcome and long-term effects remain unclear at this stage.

In certain months of the financial year, the Group's Education campuses and international school in Myanmar experienced temporary closures and staff worked from home to reduce any Covid-19 potential safety risk to students and employees. Throughout the year, the Group continued to deliver its essential integrated security services to embassies, NGOs and national infrastructure. EXERA further invested in its risk management function to remain the leading source of security-related insights in Myanmar.

While the political outlook remains uncertain, economic activity has slowly resumed. Management is monitoring several risk factors including, among others:

- The rise of an insurgence campaign resulting in daily explosions and political assassinations across the country;
- The disruption of the global and local supply chain, potentially resulting in hyperinflation;
- The weakening of the banking financial system and limited access to cash; and
- Exchange rate volatility.

As Myanmar's State of Emergency remains in place as at the date of this report, the Group cannot reasonably ascertain the full extent of the probable impact of the disruptions on its operating and financial performance for the financial year ending 30 September 2022. The Group will closely monitor the developments in Myanmar and provide regular updates to its shareholders who remain supportive of the Group's efforts and initiatives.

While vaccination rates across ASEAN improve and the international borders reopen progressively, most ASEAN governments are likely to maintain certain targeted movement restrictions throughout 2022 to reduce any Covid-19 pandemic spread. While this may continue to negatively impact sales, the Group has developed best-in-class online teaching capabilities and is now able to switch to fully online and / or to remote operations within hours.

Currently, the Group's priority is to maintain financial flexibility, stability and liquidity through mitigating actions under the Group's control which include, among others:

- Entering into termination agreements with a related party in respect of the operating and management agreements for the language centres and engineering college effective 1 October 2020. However, the Group will continue to deliver the remaining performance obligations for students enrolled prior to the effective date which is expected to complete within two years;
- Renegotiating key lease agreements to secure lease concession, lease reductions and deferment of payments;
- Delaying the planned expansion of English language centres and other capital expenditures in Myanmar;
- Agreeing to reductions in staff costs for significantly affected segments; and
- Reallocating the Group's resources to ensure diversification by industry and geography.

The Group maintains strict financial discipline to conserve cash and maintain liquidity. The diversification of the Group's operations between Vietnam and Myanmar should further mitigate the overall Covid-19 and geographical risk exposure to the Group.

STRATEGIC REPORT

POST PERIOD-END EVENTS

1) EXTRAORDINARY GENERAL MEETING AND CHANGE OF COMPANY NAME

On 6 December 2021, the Company held an Extraordinary General Meeting. The Directors sought to change the Company's name from "MYANMAR STRATEGIC HOLDINGS LTD" to "ASIA STRATEGIC HOLDINGS LTD" to create a new brand identity for the Group and affirm its vision to become a leading operator and developer of consumer businesses in Asia. The resolution was approved unanimously.

2) SETTLEMENT AND TERMINATION OF SHAREHOLDER'S LOAN

On 20 October 2021, the Company entered into a loan re-organisation with the Company's shareholder, Macan Pte Ltd ("Macan") for the following:

i. subscription of a total amount of US$3,500,000 Zero Coupon Convertible Notes of the Company satisfied through cash consideration of US$1,000,000 and the conversion of Macan's loan Facility 2 (Note 18) amounting to US$2,500,000; and

ii. termination agreement of Loan Facility 2 with the Company with effect from 31 October 2021, subject to all accrued interest under Loan Facility 2 being repaid by 15 November 2021.

As at the date of this report, the Company has drawn down US$1.5 million in loan facilities from Macan, with US$1.5 million loan facility remaining available on demand.

3) CONVERTIBLE NOTE PROGRAMME

On 4 November 2021, the Group launched a Convertible Note Programme to raise up to US$10 million over a six month period for working capital and future investments. The convertible note ("CN") holders have an option to subscribe to either (i) a 10% coupon option ("10% Coupon Convertible Note") or (ii) a zero−coupon option ("Zero Coupon Convertible Note").

As at the date of approval of the financial statements, the Company's existing shareholders have subscribed to CN amounting to US$5.7 million (excluding transaction costs) comprising:

i. Zero−Coupon Convertible Notes (including subscription of Macan amounting to US$5.2 million as detailed in Note 29(a) of the annual report); and

ii. 10% Coupon Convertible Notes amounting to US$0.5 million.

Type	Zero-Coupon Convertible Note	10% Coupon Convertible Note
Tenure	Up to 3 years	Up to 3 Years
Maturity	30 October 2024	30 October 2024
Coupon	Zero-coupon	10% annual
Discount	Between 2.0% and 20.5% based on conversion schedule	10% vs. subscription price for a Qualifying Event
Floor conversion price	US$11.9 per share (based on the maximum discount listed above)	US$15.0 per share
Qualifying event	Share issuance in excess of US$5 million	Share issuance in excess of US$5 million
Use of proceeds	Development of business Working capital	Development of business Working capital
Limitation to use of proceeds	Max. 50% of the proceeds for activities in Myanmar	Max. 50% of the proceeds for activities in Myanmar
Rank	Pari passu to all present and future unsecured obligations	Pari passu to all present and future unsecured obligations

4) ISSUANCE OF SHARES IN LIEU OF BONUS PAYMENTS

On 13 December 2021, considering the recommendations of the Remuneration Committee of the Company, the Directors approved the payment of annual bonuses to certain key management personnel of the company in respect of financial year ended 30 September 2021, with a cumulative value of US$640,000 satisfied through the issuance of 80,000 new ordinary shares in the Company at a price of US$8 per share (being the Company's closing bid price on 10 December 2021). The Executive Directors did not vote on the specific resolutions in which they had an interest.

STRATEGIC REPORT

MACROECONOMIC AND POLITICAL UPDATES

The World Bank estimates global economic output to have increased 5.5% in 2021, the fastest post-recession pace in 80 years largely due to the recovery of major economies. Furthermore, the global economy is set to grow at 4.1% and 3.2% for 2022 and 2023, respectively.

However, several emerging markets and developing economies may lag behind depending on the response to the Covid-19 pandemic and its aftermath. A rapid vaccination programme will likely be key to overcome the Covid-19 pandemic and rapidly open cross-border travel, particularly within ASEAN.

VIETNAM MACRO-ECONOMIC UPDATES

- The Asian Development Bank initially forecasted 6.7% GDP growth in 2021 and 7.0% in 2022 for Vietnam, one of the fastest growth rates across ASEAN. Due to the movement restrictions imposed to combat the spread of Covid-19, the GDP growth forecast for 2021 was revised to 3.8% and 6.5% in 2022. The lower GDP growth income per capita is expected to increase from $3,600 to $3,900 in 2022 despite the decrease in GDP growth forecast.
- Through October 2021, foreign investors registered to invest $23.7 billion into Vietnam, representing a 1.1% increase year over year. Over $13 billion is slated for newly licensed projects, up 11.6% YOY. In the first nine months of 2021, M&A deals with a disclosed value amounted to $3 billion. Domestic firms have led the way with Masan Group and Vingroup acquiring businesses in hi-tech and retail industries. The top three sectors by deal activity were i) industrials and chemicals, ii) consumer goods and iii) real estate.
- Vietnam is also expected to benefit from the European Union Vietnam Free Trade Agreement and the China-U.S. trade war in terms of a potential diversion in foreign direct investment into the country.
- Inflation is forecasted at 3.8% and 4.0% in 2021 and 2022, respectively, and unemployment has increased to 4.0% in 2021 from 2.4% last year based on the report from General Statistic Office of Vietnam.
- The Regional Comprehensive Economic Partnership ("RCEP"), agreed by all ten ASEAN countries as well as China, Japan, South Korea, Australia and New Zealand, officially came into force in January 2022. The RCEP reduces tariffs, establishes trade rules, and links supply chains particularly as governments grapple with Covid-19. The World Bank forecasts that RCEP could drive GDP to increase by 1.5% for Vietnam. As Vietnam moves to become a high-tech manufacturer, the RCEP can help local firms increase exports and attract high-quality goods for its consumers.
- Vietnam is experiencing rapid demographic and social change as its population is forecasted to grow from 98 million today to 120 million by 2050. Based on the 2019 Population Census Report by the General Statistic Office of Vietnam, 56% of the population is under 35 years old, with a life expectancy of 76 years, the highest among countries in the region at similar income levels. Vietnam's emerging middle class is approximately 13% of the population and is expected to reach 26% by 2026.
- Vietnam aims to fully vaccinate at least half of people aged 18 and older by December 2021 and 70% of its entire population by March 2022. The key cities of Hanoi and Ho Chi Minh City have achieved a double-vaccinated rate of 90%, higher than the harder-to-reach provinces, including the agricultural heartland in the Mekong Delta. Overall, Vietnam has weathered significant Covid impacts this year and is expected to resume its rapid growth trajectory in 2022.

MYANMAR MACRO-ECONOMIC UPDATES

- During 2020, Myanmar was affected by the Covid-19 pandemic, which led to two lockdowns and tight border restrictions.
- In November 2020, Democratic elections were completed with a landslide victory for Aung San Suu Kyi's National League for Democracy ("NLD"). In December 2020 and January 2021, the Union Solidarity and Development Party ("USDP") alleged voter fraud and challenged the result of the election.
- In 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. A State Administration Council ("SAC") was installed shortly thereafter.
- In 2021, the Covid-19 and the State of Emergency resulted in a material shock to GDP growth, long-term effects of which are yet to be ascertained. In July 2021, the World Bank revised its forecast for Myanmar's GDP to contract 18% in Myanmar's 2021 fiscal year, a sharp reversal from the World Bank's previous economic update in October 2020 when it predicted Myanmar's economy would grow by 5.9%.
- According to the World Bank, this 18% forecasted contraction would mean that the country's economy is around 30 percent smaller than it would have been in the absence of the pandemic and the military takeover of February 2021. Around 1 million jobs could be lost, and many other workers will experience a decline in their incomes due to reduced hours or wages. The share of Myanmar's population living in poverty is likely to more than double by the beginning of 2022, compared to 2019 levels.
- Similarly, according to the Asian Development Bank Myanmar's GDP is expected to contract 18.4% in 2021, while inflation is expected to exceed 6%. No forecasts are available for 2022.
- In the second half of FYE 2021, the Myanmar Kyat depreciated significantly against the US dollar which resulted in an increase in prices of fuel and some other basic items.
- The economic outlook is highly uncertain, with a wide range of possible scenarios. Any future recovery in domestic activity will likely be contingent on a rebound in mobility and the restoration of key services, including financial services. The trade and foreign investment outlook will depend on the reactions of international investors and governments.
- 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.
- The World Bank projects 1% growth in the year to September 2022 with the economy being 30% smaller than it might have been without the multiple shocks. The extent of the recovery will also be dependent on the efforts to control and tackle the pandemic by increasing the speed of its vaccination programme.

STRATEGIC REPORT

COMPANY OVERVIEW: MYANMAR

EDUCATION (SINCE 2H'16)

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

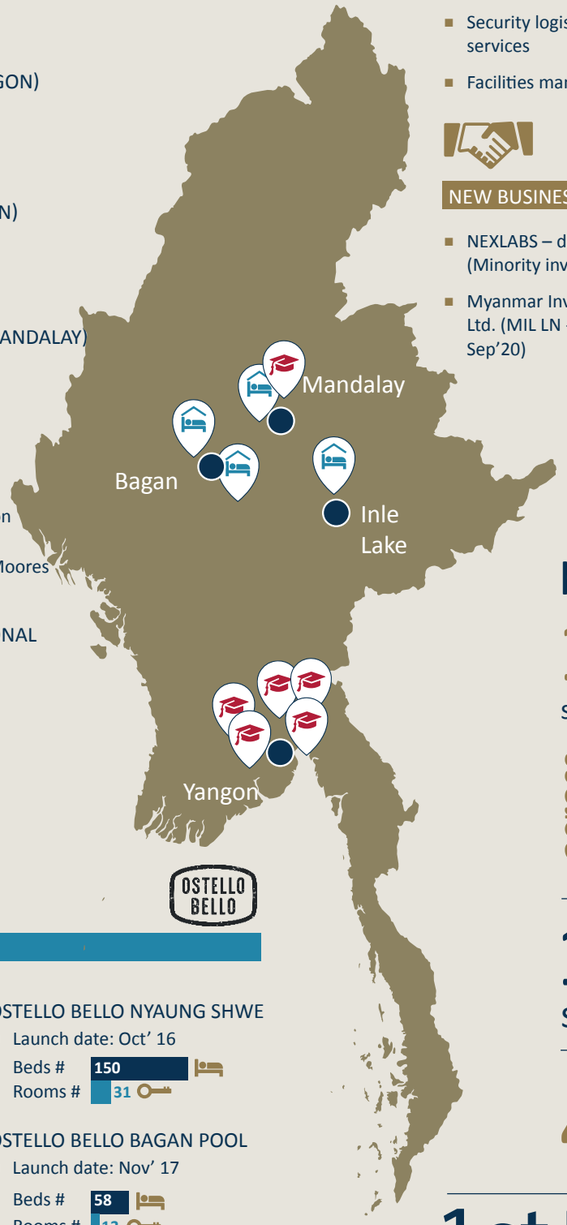
WSE – CITY MALL ST. JOHN (YANGON)
- Launch date: Dec'17
- Size: 600 sqm
- Capacity: 900+

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 (YANGON)
- Launch date: May'18
- Strategic collaboration with Auston Institute of Management
- Partnership with Liverpool John Moores University

YANGON AMERICAN INTERNATIONAL SCHOOL (YANGON)
- Launch date: Jun'19
- MIC approval: Apr'19
- IB-PYP accreditation: Jul'21



HOSPITALITY (SINCE 2H '14)

OSTELLO BELLO BAGAN
- Launch date: Dec' 14

Beds # 112
Rooms # 27

OSTELLO BELLO NYAUNG SHWE
- Launch date: Oct' 16

Beds # 150
Rooms # 31

OSTELLO BELLO MANDALAY
- Launch date: Jul' 16

Beds # 154
Rooms # 37

OSTELLO BELLO BAGAN POOL
- Launch date: Nov' 17

Beds # 58
Rooms # 13

SERVICES (ACQUIRED IN 1H'18)
- Manned guarding services: 1,600+ security officers across 200+ 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)

HIGHLIGHTS

1,900+ students as at Sep'21

across **4** English language centres

1,600+ security officers

4 boutique hostels

1st Myanmar firm listed on LSE Main Market

STRATEGIC REPORT

COMPANY OVERVIEW: VIETNAM

EDUCATION (ACQUIRED WSE VIETNAM IN 2H'20)

WSE – LQD, D3 (HCMC)
- Launch date: May'13
- Size: 1,700 sqm
- Capacity: 1,300+

WSE – HV, D5 (HCMC)
- Launch date: Aug'14
- Size: 830 sqm
- Capacity: 1,000+

WSE – CH, TANH BINH (HCMC)
- Launch date: Mar'14
- Refurbished: Dec'21
- Size: 500 sqm
- Capacity: 700+

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 – PVT, GO VAP (HCMC)
- Launch date: Aug'16
- Refurbished: Oct'21
- Size: 500 sqm
- Capacity: 700+

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

HIGHLIGHTS

3,300+ students as at Sep'21

across **7** English language centres



STRATEGIC REPORT

CHAIRMAN'S STATEMENT



MISSION AND STRATEGY

Asia Strategic Holdings' mission is to *"grow sustainable businesses through patient and committed capital"*.

Our strategy is to identify, seed, grow and acquire tech-enabled consumer businesses that address core needs and have the potential to grow into global champions from emerging Asia.

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 remain severely affected by the Covid-19 pandemic and Myanmar's State of Emergency, the Education and Services businesses have thrived and are generating synergies across the respective products and businesses. 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 Asia Strategic to stabilise its expected growth while simultaneously capitalising on the opportunities currently available in Myanmar and neighbouring markets. While the Covid-19 global pandemic continues to present significant challenges to the Group, the transformational acquisition of WSE Vietnam was a key strategic milestone for Asia Strategic as it provided geographical diversification and exposure to one of the most attractive and fast-growing markets in ASEAN. Our operations team is in the final stages of reorganising WSE Vietnam and building solid foundations to capitalise on its presence in Vietnam.

In line with our expanded geographical scope, our shareholders have approved our rebranding and name change to "Asia Strategic Holdings Ltd." in December 2021.

BOARD'S RESPONSIBILITY

The Board is fully aware of its responsibility to ensure that all 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 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 over 200 sites. Furthermore, Asia Strategic'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. With the kind support of Pun Hlaing Hospitals, most of our eligible workforce was vaccinated.

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 67% (excluding EXERA's security officers). We are also actively looking to increase female representation within the Board of Directors.

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 Asia Strategic's workforce.

OUTLOOK

In FYE 2021, Asia Strategic focused on:

i. the reorganisation of WSE Vietnam;

ii. the stabilisation of its Myanmar businesses throughout the sudden State of Emergency in Myanmar; and

iii. the growth of its security services business.

For FYE 2022, Management is focused on organically growing the Company's Education and Services businesses regionally and continuing to actively consider complementary acquisitions. The Group will continue to pursue its asset light strategy while increasing the portfolio of businesses owned and under management.

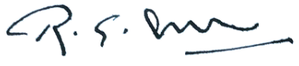
WORDS OF APPRECIATION

Thanks to the hard work and personal sacrifices of all our employees, net losses narrowed, and the Myanmar activities are currently cash generative notwithstanding a highly volatile trading environment.

Asia Strategic's management has gained valuable knowledge and experience as a result of the adversities faced in 2020 and 2021 and I can confidently claim that Asia Strategic 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 Asia Strategic from the other providers of capital and / or technical expertise in those countries.

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

31 January 2022

REVIEW OF OPERATIONS

FOCUS ON EDUCATION

5,200+ STUDENTS ACROSS TWO ASEAN COUNTRIES



Strategy

The Group's objective is to become one of the leading private operators of educational institutions in emerging Asia through the identification of opportunities and expansion in the sector.

Within its Education segment, the Group is currently active in (i) adult English language learning (Wall Street English), (ii) tertiary education (Auston) and (iii) K-12 international school (Yangon American).

The Group generates student revenues from the businesses it owns and operates. The fees paid by our students are typically variable depending on the type and duration of the services purchased to the customer.

Furthermore, the Group generates revenues through management fees, technical assistance fees and other one-off fees ("Fees to the Group") from the operations it manages. In FYE 2021, such fees were in respect of support services rendered to Legacy Students of a related party.

Wall Street English Vietnam

Wall Street English Vietnam ("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.

WSE Vietnam owns and operates seven English language retail centres in Ho Chi Minh City and Binh Duong. The centres operate under 10-year Centre Franchise Agreements with Wall Street English International on terms similar to those in place for WSE Myanmar.

In July 2020, the Group completed the acquisition of WSE Vietnam for a nominal consideration, resulting in a carried-forward goodwill of US$4.9 million as at 30 September 2021.

In FYE 2021, WSE Vietnam generated revenues to the Group of US$7.5 million (FPE 2020: US$2.0 million). It is worth noting that in FYE 2021, WSE Vietnam accounted for approximately half of the total Group's revenue for the year, which emphasises the importance of Vietnam as a key growth market for the Group and mitigates the concentration of revenue risk from a single source country.

Management routinely conducts in-depth studies to assess further growth opportunities for WSE Vietnam through opening of new centres within Ho Chi Minh city and other major cities such as Hanoi.

Wall Street English Myanmar

During FYE 2021, Wall Street English Myanmar ("WSE Myanmar") owns and operates four English language retail centres across Yangon and Mandalay.

In FYE 2021, WSE Myanmar generated revenues to the Group of US$1.2 million (FPE 2020: US$1.5 million) including Fees to the Group of US$0.5 million (FPE 2020: US$1.5 million) from its Managed businesses.

In FYE 2021, underlying revenues amounted to US$2.0 million (FPE 2020: US$5.0 million).

REVIEW OF OPERATIONS

FOCUS ON EDUCATION

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.

It is worth noting that, 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 will further expand the addressable market through nationwide coverage.

From an operational perspective, we are proud to report that, notwithstanding several lockdowns and restrictions, both WSE Myanmar and WSE Vietnam continue to rank as 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.

Auston

Auston ("Auston") is the result of a strategic collaboration signed in April 2018 between Asia Strategic and the Auston Institute of Management, an operator of private schools in Singapore 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 included foundation programs and diplomas in Infrastructure & Networks, Mechanical Engineering, Engineering Technology and Construction Project Management.

In February 2020, the Company announced a partnership with Liverpool John Moores University ("LJMU") to provide high quality engineering training programmes for young, working professionals in Myanmar, to be taught by Auston's teaching staff at its Junction Square complex in Yangon. The partnership with LJMU is a significant milestone for Auston in offering students a path towards an engineering degree and providing globally recognised degrees in Myanmar and that by lecturers with, at a minimum, a master's degree or a PhD from a recognised awarding body.

Auston's programs are often packaged together with WSE Myanmar services to provide students a platform to achieve a high level of English proficiency and ensure they are qualified for leading roles at local and international companies. Auston's campus is within walking distance of WSE Myanmar's learning centre, which provides added convenience to the students. The WSE Myanmar collaboration complements other education businesses and creates synergies within the Group.

In FYE 2021, Auston generated underlying contract revenues of US$0.1 million (FPE 2020: US$0.1 million). The low level of underlying contract revenues can be partially explained by the commencement of the first program in June 2021. As at 30 September 2021, Auston secured 47 students and US$0.1 million contract value where accounting revenues will be entirely recorded in FYE 2022.

As at 31 December 2021, enrolled students have grown to 117 and contract value to US$0.5 million. This important increase may be due to the continued travel and visa restrictions as students have less study-abroad opportunities than before.



REVIEW OF OPERATIONS

FOCUS ON EDUCATION



Yangon American

In April 2019, the Group received an investment permit from the Myanmar Investment Commission ("MIC") to own and operate its first international school, Yangon American International School ("Yangon American"). 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).

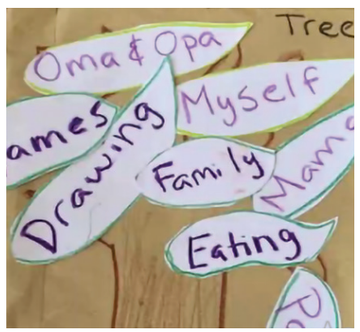
Yangon American which commenced operations in August 2019, with planned capacity of up to 400 students, is positioned as a leading K-12 school. The school is centrally located and only 4 km from Asia Strategic's educational hub of WSE Myanmar and Auston in Junction Square. It has 17 classrooms spread over 2,000 sqm, plus a multi-use playground of more than 1,000 sqm.

Yangon American operates classes from nursery through fifth grade, serving students from the age of 2 to 11 with revenues for Asia Strategic being generated from student fees, admission fees and ancillary services. Despite the Covid-19 temporary closures and State of Emergency, Yangon American maintained student enrolment of over 50 students for Academic Year 2021/2022 with a mixture of foreign and local student support.

In July 2021, Yangon American was fully accredited to offer the International Baccalaureate Primary Years Programme ("IB PYP") and is able to leverage the accreditation to secure more students and compete with other international schools. Yangon American's application to receive the Western Association of Schools and Colleges ("WASC") certification is in progress.

For FYE 2021, Yangon American generated revenues of US$0.6 million (FPE 2020: US$0.6 million) and incurred net losses of US$1.0 million (FPE 2020: US$2.2 million). Yangon American is expected to continue to incur operating losses for the next 12 months as the student enrolment increases towards capacity, although anticipated reductions in lease payments may narrow such losses.





REVIEW OF OPERATIONS

FOCUS ON **SERVICES**

1,600+ OFFICERS OVER 200 SITES

Strategy

- The Group's objective is to become the leading risk management partner for companies and organisation across emerging Asia.
- Founded in 2012 and acquired by the Group in May 2018 for US$2.2 million, resulting in goodwill of US$1.4 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.
- 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 fairly 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 because of COVID-19 and the riskier operating environment in Myanmar.
- For FYE 2021, EXERA's revenues were US$5.6 million (FPE 2020: US$5.9 million), a remarkable result when compared to the previous financial period which covered a period of 18 months.

Integrated Security Services

- Through an experienced network of over 1,600 security officers active across ca. 200 sites as at 30 September 2021 (Sep'20: 1,300 security officers active across ca. 170 sites), 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 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 the Yangon American International School, selected embassies and businesses within the wider Asia Strategic Group.



STRATEGIC REPORT

SUMMARY

I am very pleased to report that over the financial year ended 30 September 2021, Asia Strategic has continued to grow, notwithstanding the constantly evolving social, economic and political environment in both Vietnam and Myanmar.

Since its inception Asia Strategic has targeted sectors that positively contribute to the overall development of the countries in which we operate, creating jobs and alleviating poverty. Within these sectors we aim to build businesses that embody the best terms of business, environmental, social and governance practices.

The recent political instability has once again brought to light the criticality of responsible business dealings. Since its inception, the Group has not worked with sanctioned individuals or companies. 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 employees.

Throughout the Covid-19 pandemic and most recently the military takeover in Myanmar, our team remained on the ground and implemented several initiatives aimed at containing any potential pandemic spread and ensuring continued services across more than 200 sites. Vaccination programs and security awareness trainings were conducted for all eligible employees and several suppliers and customers.

Our team has shown incredible resilience and ingenuity through a series of disruptions which included, among others, movement restrictions, the imposition of martial laws and the temporary suspension of internet and mobile services. Most employees agreed to voluntary material reductions in salaries to support the Group's businesses and protect the surrounding communities, hence the disruption to our employees' livelihood was limited.

Asia Strategic's core portfolio of operating businesses in multiple industries in emerging Asia has enabled the Group to diversify and protect itself from several external shocks. Both Adjusted EBITDA and the operating loss over the financial year have narrowed vs. the prior reporting period. All businesses were fully operational at the end of the financial year and at the date of this report.

Asia Strategic continues to maintain an optimistic stance on emerging Asia's economic prospects, and we are confident of our ability to drive sustainable and responsible investments in the region. As economic development continues, Management will increasingly focus on businesses targeting the population's primary needs such as education, security and healthcare.

At its core, Asia Strategic has always focused on the delivery of services that can improve the livelihoods of the populations it serves and acting as a responsible sustainable operator and investor in the markets in which it works. We believe that our responsible and ethical engagement with local communities and the relevant stakeholders is more important now than ever before.

We would like to take this opportunity to thank shareholders for their continued support and all members of staff across the Group for their hard work and sacrifices through these challenging, uncertain and upsetting times.



ENRICO CESENNI, OSI
Chief Executive Officer
31 January 2022

STRATEGIC REPORT

FINANCIAL REVIEW

For comparability and to analyse the current financial year performance, the unaudited financial results for the financial period from 1 October 2019 to 30 September 2020 ("FYE 2020") were used for comparative purposes.

The revenues generated by the Group in FYE 2021 in relation to the businesses owned and managed were US$15.0 million (FYE 2020: US$7.4 million), an increase of ca. 103% YOY.

This was driven primarily by the increase in the student fees from Wall Street Myanmar and the full-year effect arising from the consolidation of Wall Street English Vietnam's results, accounting for US$8.7 million (FYE 2020: US$3.0 million) in FYE 2021.

The State of Emergency declared in Myanmar led to an increase in demand for high-quality integrated security and risk management services, which contributed to the 44% YOY revenue growth rate for the Services segment.

The increase in revenue generated by the owned businesses was partially offset by a decline in fees generated by managed businesses due to (i) a reduction in technical support service fees in the Hospitality segment due to the Covid-19 related domestic and international travel restrictions and (ii) a reduction in fees in the Education segment from US$1.0 million in FYE 2020 to US$0.5 million in 2021 following the re-negotiation of the operating and management agreements with a related party.

	Financial year ended 30 September 2021	Financial year ended 30 September 2020	18-month financial period ended 30 September 2020
	Audited (12 months)	Unaudited (12 months)	Audited (18 months)
	US$	US$	US$
Owned businesses			
Services	5,664,019	3,933,477	5,891,462
Education	8,810,457	2,353,975	2,638,140
Total owned businesses	**14,474,476**	**6,287,452**	**8,529,602**
Managed businesses			
Hospitality	13,712	90,000	135,000
Education (Legacy WSE Myanmar, Auston)	497,849	998,288	1,492,254
Total managed businesses	**511,561**	**1,088,288**	**1,627,254**
Total group revenue	**14,986,037**	**7,375,740**	**10,156,856**

RESULTS OF OPERATIONS

The Group's FYE 2021 revenue were US$15.0 million, an increase of US$7.6 million and US$4.8 million when compared with FYE 2020 and FPE 2020 (+103% and +48% respectively), driven by (i) increase in the student fees from the WSE Myanmar, (ii) the full-year effect of the consolidation of WSE Vietnam's results and (iii) sustained growth in the revenues generated by the Services businesses which were close to FPE 2020 notwithstanding the shorter reporting period.

Despite the higher contribution from WSE Vietnam, revenues recorded have yet to recover to pre Covid-19 results due to intermittent closures of centres in compliance with the local Covid-19 restrictions. As at the date of the report, all centres are open although there continue to be certain restrictions to in-person teaching in Vietnam, which are expected to be lifted by February / March 2022.

The comparability of results of operations across periods is impacted by (i) the consolidation of WSE Vietnam since the completion of its acquisition on 14 July 2020 and (ii) the growth of the WSE Myanmar owned business following the re-negotiation of certain existing management agreements with a related party.

As revenues increased by 103% YOY and 48% POP, employee benefit expenses increased by 112% YOY and 41% POP to US$12.3 million in FYE 2021. The growth in employee expenses was mainly due to the consolidation and re-organisation of WSE Vietnam, the efforts to retain key employees in Myanmar and higher non-cash bonuses as disclosed in note 6 to the Financial Statements.

Direct and indirect Full Time Employees ("FTEs") increased to ca. 2,200 (Sep'20: 2,000), of which ca. 2,150 FTEs (Sep'20: 1,750) were employed in owned businesses. The growth was mainly due to the expansion of EXERA's operations across Myanmar.

STRATEGIC REPORT

FINANCIAL REVIEW (CONTINUED)

	Financial year ended 30 September 2021	Financial year ended 30 September 2020	18-month financial period ended 30 September 2020
	Audited (12 months)	Unaudited (12 months)	Audited (18 months)
	US$	US$	US$
Revenue	14,986,037	7,375,740	10,156,856
Other income	838,183	98,267	147,400
Employee benefits expense	(12,296,231)	(5,801,349)	(8,702,024)
Other expenses	(4,393,039)	(2,981,674)	(4,472,510)
Adjusted EBITDA	**(865,050)**	**(1,309,016)**	**(2,870,278)**
One-off expenses pursuant to deal-related expenses and loss on fixed assets written off	-	(222,773)	(334,159)
Impairment of trade and other receivables	(1,004,384)	(3,395,740)	(3,395,740)
Depreciation expense	(419,057)	(249,634)	(374,451)
Amortisation expense	(113,684)	(128,723)	(193,086)
Amortisation expense on right-of-use asset	(2,560,875)	(625,136)	(937,703)
Finance cost	(243,547)	(145,471)	(218,207)
Finance cost on lease liabilities	(756,445)	(281,485)	(422,228)
Loss for the period/year	**(5,963,042)**	**(6,357,978)**	**(8,745,852)**
Income tax credit	114,688	25,795	38,693
Loss for the year/period	**(5,848,354)**	**(6,332,183)**	**(8,707,159)**
Loss for the year/period attributable to:			
Owners of the Company	(5,781,316)		(8,683,164)
Non-controlling interests	(67,038)		(23,995)
	(5,848,354)		**8,707,159**
Loss per share attributable to owners of the Company (US$)			
– Basic and diluted (US$)	(2.05)		(3.40)

The Group's Adjusted EBITDA loss for FYE 2021, which excludes impairment of trade and other receivables, and expenditures of a one-off nature provides a clearer picture of the performance of the operations, narrowed to US$0.9 million (FYE 2020: US$1.3 million).

In FYE 2021, the Group recognised expenses of ca. US$3.3 million (FYE 2020: US$0.9 million) in relation to the ROU leased assets, of which US$2.6 million (FYE 2020: US$0. 6 million) was amortisation expense and US$0.8 million (FYE 2020: US$0.3 million) finance cost, respectively. The increase in ROU related expenses is mainly due to the consolidation of the WSE Vietnam leases and six new leases entered in respect of the WSE Myanmar language centres, Auston campus and corporate office.

An additional loss allowance of US$1.0 million (FYE 2020: US$3.4 million), as disclosed in the financial statements, was made in FYE 2021 in relation to an amount due from a related party. The loss allowance made during the financial year was based on the financial information provided by the related party and the expected repayment from the provision of property management services to the Group over a period of nine years and taking also into consideration further movements in the USD / MMK exchange rate.

The Group's net loss amounted to US$5.8 million for FYE 2021 (FYE 2020: US$6.3 million), including US$1.0 million (FYE 2020: US$3.4 million) in allowances for impairment of receivables.

STRATEGIC REPORT

FINANCIAL REVIEW (CONTINUED)

LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2021, the Group's cash and cash equivalents amounted to US$2.2 million, compared to US$3.9 million as at 30 September 2020.

Net cash used in operating activities amounted to US$1.2 million (FPE 2020: US$3.7 million), a significant improvement vs. the FPE 2020 thanks to the revenue growth of the Services businesses and the consolidation of WSE Vietnam and the WSE Myanmar owned business.

The Group advanced US$0.6 million to a related party for the management of the properties of the Group such as WSE Myanmar language centres, Auston campus and head office.

Financing activities during the financial year are mainly repayments of lease liabilities for the four new WSE Myanmar language centres leased from a related party and the full year effect from the lease payments for the language centres leased for WSE Vietnam. The Group had drawn down US$2.5 million and made interest payments of US$0.2 million as compared to the previous financial period where the Group raised additional shareholder capital and drew down shareholder's loans of US$6.4 million and US$3 million, respectively.

During FYE 2021, the Group's cash inflows from financing amounted to US$0.4 million (FPE 2020: US$8.4 million) due to lower net proceeds from draw down of shareholder's loans as compared to FPE 2020 mitigated by higher repayment of lease liabilities amounting to US$2.3 million (FPE 2020: US$3.0 million) and US$1.8 million (FPE 2020: US$1 million), respectively.

DIVIDENDS

The Board of Directors do not recommend payment of dividends for the financial year ended 30 September 2021 as the Group needs to conserve cash for working capital and future expansion.

WORKING CAPITAL

The Board of Directors have carried out a detailed review of the cash flow forecast of the Group of at least 12 months from the date of approval of the audited financial statements for the financial year ended 30 September 2021. The cash flow forecast was prepared based on multiple scenarios (i.e. best, base and negative) with consideration of factors and events such as Covid−19, Myanmar's State of Emergency and other reasonably predictable assumptions. These scenarios applied are to reflect and adjust for future prospects and timing of future recovery with consideration of several other factors such as the general macroeconomic environment and initiatives within the control of the Group.

Given the high level of uncertainty that these events create, the Group conducted stress−testing on the size and timing of 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 such critical analysis is the worst-case scenario of a prolonged impact on certain business segments on the Group's operations in Myanmar including temporary cessation of certain business operations for the period under review.

The Directors have evaluated that there are sufficient mitigating actions within their control, such as a significant reduction of operational activities of non−profitable business segments and a reduction of discretionary expenditures to manage operational cost. Other key considerations in the assessment, amongst others, include:

a. Issuance and subscription of convertible notes by certain existing shareholders, including Macan, amounting to US$5.7 million and resulting in a net cash inflow of US$3.2 million subsequent to the financial year end, as disclosed in Note 29(a) and (b) of the financial statements; and

b. An unutilised credit facility of US$1.5 million from Loan Facility 1 with Macan expiring in 30 June 2024 as disclosed in Note 18 of the financial statments, for working capital purposes; and

It is also worth noting that the Education and Services business in Myanmar have experienced a return to revenue volumes consistent to pre-Covid-19 levels in the three-month period ended 31 December 2021. Management expects this trend to continue for the foreseeable future.

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

OUTLOOK

To reflect the growing geographical scope of its operations, the Company changed its name to "Asia Strategic Holdings Limited" anchoring the Company's ambition of becoming a leading developer and manager of consumer businesses in emerging Asia.

Management is focused on growing organically the Company's Education and Services businesses regionally and continues to actively consider complementary acquisitions. The Group will continue to pursue its asset light strategy and increase the portfolio of businesses owned and under management.

Management will also continue to build and train all 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.

As the Group's owned businesses grow, the Group may rely less 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 businesses.

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

Operating internationally, the Group has always remained cognisant of evolving operational standards and their implications for the sustainability of our business in the respective countries. The Group ensures systems and processes are localised and integrated into every aspect of the businesses focusing on Quality Services and Safety, Occupational Health and Safety, Talent Development & Retention and Human Rights and Labour Practices.

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").

Asia Strategic Holdings embraces and supports the following SDGs within its operations:



The businesses managed and owned by the Group provides ca. 2,100 jobs to local employees in Vietnam and Myanmar.

All employees are paid at least the statutory minimum wage and benefit from fair working conditions and shift patterns.

Throughout its presence across over 200 sites, the Group supports local businesses, job creation and entrepreneurship.



Through our education segment, the Group ensures inclusive and equitable education and promotes lifelong learning opportunities for all.

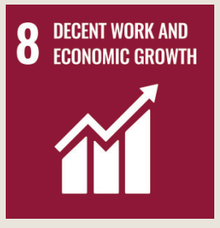
In 2021 as a response to the Covid-19 restrictions and lockdown, all our education businesses adopted remote learning technologies, providing academic advancement opportunities at affordable prices for ca. 5,000 students.

Several scholarships were also offered across both Wall Street English and Auston.



Female representation exceeded 67% (Sep'20: 60%) of the total workforce (excluding EXERA's security officers), 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 Asia Strategic'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 200 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 since the founding of the Group.

In support of the country's effort to achieve a higher vaccination rate and ensuring the well-being of our employees, the Group at its own accord initiated the Covid-19 vaccination programme for all eligible employees. As at the date of this report, 61% of the total workforce of our workforce are fully vaccinated (81% when EXERA's security officers located outside Yangon are excluded).

Several Covid-19 prevention initiatives have also been implemented for the protection of our staff, students and customers including, among others frequent disinfection, adequate PPE, risk assessments, Covid-19 helpline. Furthermore, support is provided to the immediate family members of any deceased employee.

GOVERNANCE REPORT

BOARD OF DIRECTORS AND SENIOR MANAGEMENT



RICHARD GREER

Independent Non-executive Director and Chairman

Richard has over 40 years 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. The management company, MENA Investment Partners LLP is an appointed representative of Midmar Capital LLP, which is authorised and regulated by the Financial Conduct Authority.

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

He currently serves as the Finance Director at Emerald Brewery Myanmar.

Dennis was formerly an executive director and the Group's Chief Financial Officer. He resigned in May 2020 to join Eden Group of companies as the Chief Financial Officer, whilst continuing as a Non-executive director of the Company.

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.

GOVERNANCE REPORT

BOARD OF DIRECTORS AND SENIOR MANAGEMENT



ENRICO CESENNI, OSI

Chief Executive Officer and Executive Director

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 and retail sectors 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 Asia Strategic Holdings.

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

Enrico is a member of the Young Presidents' Organisation ("YPO") and has been conferred the honorific title of Knight of the Order of the Star of Italy ("OSI").



JONATHAN KOLB

Chief Financial Officer and Executive Director

Jonathan has been one of the Company's Myanmar-based senior management 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 was appointed Group CFO in 2020 and as a member of the Board of Directors on 18 May 2021.

Prior to joining Asia Strategic, 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 a 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 Charter holder, but is not currently active.



ALAIN THIBAULT

Chief Operating Officer

Before joining Asia Strategic in August 2018 as CEO of Wall Street English and Auston, Alain built an expertise over 15 years in building and/or transforming operational capabilities across multiple industries with a focus on enabling scale, efficiency, insights and transparency.

In 2020, his responsibilities expanded to include the CEO of Wall Street English Vietnam role as well as to build operational capabilities such as Technology and Marketing at the Group level.

Based in Asia since 2009, Alain first worked with Accenture before taking over senior management positions for organizations such as Lazada and Air Asia where he put his passion for people development and digitalization to play driving scalability and innovation.

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

GOVERNANCE REPORT

BOARD OF DIRECTORS AND SENIOR MANAGEMENT



MICHAEL HALL

Chief Human Resources Officer

Michael has over 19 years human resources experience across SE Asian, Australian and UK markets.

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.

After moving to Myanmar in 2011, Michael held management positions within multinational businesses, developing the human resource 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,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 Asia Strategic 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 is building strong legal teams capable of delivering results.

As 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 earned a degree in Commerce from the same University.



U AUNG MYO THEIN

Senior Advisor

U Aung Myo Thein ("Adrian Tike") has been one of the Company's Myanmar-based senior management 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.

GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

Asia 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 requirements and disclosures, and all other matters deemed to protect the best interests of the Company's shareholders.

As a London Stock Exchange ("LSE") quoted company with a standard listing, Asia 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 of the Code and intends to 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 principles of corporate governance as set out in the Code, as far as they are relevant to Asia 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 to enhance and sustain 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 four 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 ("NED") have adequate competency and experience relevant to the Group's operations, conduct site visits at regular intervals with one NED travelling to Myanmar or Vietnam at least once per year. No site visits were conducted by any NED during the financial year due to the prevailing Covid-19 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 receive timely reports and 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;
- Timely updates on the impact of extraordinary and material events such as Covid-19 in both Myanmar and Vietnam, and Myanmar's State of Emergency; and
- Strategies and impact on the environmental, social and governance to relevant stakeholders" or "business practices and its impact on environment and sustainability.

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

THE COMPOSITION OF THE BOARD

The Board of Directors comprises five members, two Executive Directors (the Chief Executive Officer and Chief Financial 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 to set up separate committees to consider specific issues as and when the need arises.

GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

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

The Executive and Non-executive Directors have access to advice from the Company's 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 Group 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 relevant to keep abreast with current events and changes in laws and regulations.

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.

All related party transactions and potential conflict of interests, if any, are reviewed and approved by the audit committee on a timely basis.

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 each financial year and has unrestricted access to the Group's external auditors including discussions without the presence of the management.

It also assists by reviewing and monitoring the extent of audit work undertaken by external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's 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 solely independent and NEDs ("INED") namely, Richard Greer, who acts as Chairman of the committee, Christopher Clarke and Dennis Yeo.

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 solely independent and NEDs, namely 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.

GOVERNANCE REPORT

CORPORATE GOVERNANCE STATEMENT

In addition, the Board has adopted policies covering anti-corruption, anti-bribery, share dealing, whistleblowing and social media.

Furthermore, in compliance with the relevant rules and regulations, 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 Asia 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 lodgement 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.
- Unrestricted access to the Audit Committee and regular discussions without the presence of the Board and the management.
- 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 flows 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.asia-strategic.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.asia-strategic.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 Asia Strategic Holdings Ltd. are pleased to submit their Report with the audited financial statements for the financial year ended 30 September 2021.

PRINCIPAL ACTIVITIES

Asia Strategic Holdings Ltd. is an independent developer and operator of consumer business in emerging Asia. 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 financial year ended 30 September 2021 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 2021 are contained in the Consolidated Statement of Changes in Equity.

RESULTS AND DIVIDENDS

An overview of the Group's results, covering the financial year ended 30 September 2021, is provided in the Financial Statements on page 36. 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 and Note 29 to the Financial Statements.

DIRECTORS REMUNERATION

Directors' remuneration for the financial year ended 30 September 2021 was as outlined in the table below. Jonathan Geoffrey Kolb, the Chief Financial Officer, was appointed as an Executive Director of the Company on 18 May 2021.

(US$)	Fees	Salaries	Accrued bonus*	Share-based compensation	Other benefits	Total FYE 2021 (12 months)	Total FPE 2020 (18 months)**
Executive Directors							
Enrico Cesenni	-	126,000	80,000*	4,995	-	210,995	218,916
Jonathan Geoffrey Kolb #	-	121,175	240,000*	17,251	41,991	420,417	147,540
Sub-total	-	247,175	320,000*	22,246	41,991	631,412	366,456
Non-executive Directors							
Richard Edgar Greer	30,000	-	-	1,435	-	31,435	46,088
Christopher John David Clarke	28,000	-	-	1,435	-	29,435	37,088
Dennis Yeo Ting Teck	8,928	-	-	10,477	-	19,405	32,841
Sub-total	66,928	-	-	13,347	-	80,275	116,017
Total	**66,928**	**247,175**	**320,000***	**35,593**	**41,991**	**711,687**	**482,473**

 # Jonathan Geoffrey Kolb's remuneration for the 12-month period received during the financial year ended 30 September 2021.

** Accrued annual bonuses of US$320,000 were paid through the issuance of ordinary shares, subsequent to the reporting date as disclosed in Note 29 (c) to the Financial Statements.*

*** The current financial year covers the 12-month period from 1 October 2020 to 30 September 2021. The annual report for the last financial period covers a period of 18 months from 1 April 2019 to 30 September 2020.*

GOVERNANCE REPORT

DIRECTORS' STATEMENT

DIRECTORS AND THEIR INTERESTS (INCL. SHARE OPTIONS)

The table below sets out the interests of the Directors in Asia Strategic Holdings as at 30 September 2021

As at 30 September 2021	Shareholdings registered in name of Directors (Shares)	Shareholdings in which the Directors are deemed to have an Interest (Shares)	Total Interest (Shares)	Total Interest (%)	Share Options
Enrico Cesenni (CEO)*	5,500	1,010,500	1,016,000	35.7%	6,000
Jonathan Geoffrey Kolb (CFO)	166,500	-		5.9%	19,000
Richard Greer (Chairman, INED)	7,700	-		0.3%	10,000
Christopher John David Clarke (INED)	-	-		-	10,000
Dennis Yeo Ting Teck (INED)	-	-		-	25,000

** The beneficial interest of Enrico Cesenni is held through the Company's shareholder, 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 an Employee Share Option Scheme ("ESOS 2016") 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.

Further details of the above share option scheme can be found in Note 22(e) 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 2021 were as follows:

As at 30 September 2021	Number of Ordinary Shares	Percentage of Ordinary Shares
Macan Pte. Ltd*	960,000	33.7%
Oneiros Investments S.A.	224,121	7.9%
A-Star-Education Holdings Pte. Ltd.	200,000	7.0%
Jonathan Geoffrey Kolb**	166,500	5.9%
SOAI Ltd.	156,945	5.5%
BF&F s.r.l.	117,500	4.1%
NDC Advisors Limited	101,019	3.5%
SEVIAN s.r.l.***	100,000	3.5%

** Macan is a company in which Enrico Cesenni, CEO of the Company, has 26.1% equity interest in the company and 35.1% of the voting rights.*

*** Chief Financial Officer and Executive Director of the Company*

**** SEVIAN s.r.l. has 48.9% equity interest and 34.7% of the voting rights in Macan Pte. Ltd..*

GOVERNANCE REPORT

DIRECTORS' STATEMENT

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. asia-strategic.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$18,127 (2020: US$15,248). 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 businesses.

As detailed in Note 16, the 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 their financial results. This may 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, Asia Strategic's largest shareholder.

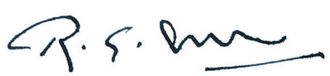
ANNUAL GENERAL MEETING

Details of the 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



RICHARD GREER
Independent Non-Executive Chairman
31 January 2022

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; and
- 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 maintaining 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 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 ASIA STRATEGIC HOLDINGS LIMITED

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 September 2021 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

We have audited the financial statements of Asia Strategic Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 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.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We have highlighted going concern as a key audit matter as a result of the estimates and judgements required by the Directors in their going concern assessment and the effect on our audit strategy. The level of judgement and estimation uncertainty has been significantly increased by the Covid-19 pandemic and the state of emergency declared in Myanmar where the Group has significant operations.

Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting, has been set out in the key audit matters.

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 evaluated included projected revenue and related costs, which we assessed for reasonableness against historical data and economic growth in the relevant jurisdictions in each scenario taking into account the uncertainties caused by the Covid-19 pandemic and the state of emergency declared in Myanmar.
- We examined the Directors' 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 at least twelve months from the date of approval of the financial statements.
- We reviewed the stress test worst case analysis prepared by the Directors to check against cash and credit facilities. This included checking the reduction of revenue and related expenditure against post-year end results and checking sensitivity by a further reduction to revenues in a number of key businesses.
- We evaluated the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment against the Directors' forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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

OVERVIEW

COVERAGE[1]	100% (2020: 100%) OF GROUP PROFIT BEFORE TAX 100% (2020: 100%) OF GROUP REVENUE 100% (2020: 100%) OF GROUP TOTAL ASSETS
KEY AUDIT MATTERS	

		2021	2020
1:	Recoverability of related party trade and other receivables	☐	☐
2:	Impairment review of goodwill	☐	☐
3:	Going concern	☐	☐
4:	Revenue recognition		☐
5:	Acquisition of Wall Street English, Vietnam		☐
6:	Adoption of IFRS 16 – leases		☐

As detailed in Note 2.1(b) the Group terminated the operating and management contract with the related party that formed a significant part of the managed businesses. As a result, revenue recognition is no longer considered to be a key audit matter because the impact of a potential error in not incorporating the transactions from managed businesses was no longer significant. Adoption of IFRS 16 and acquisition of Wall Street English, Vietnam are not relevant for this financial year.

MATERIALITY	Group financial statements as a whole US$225,000 based on 1.5% of revenue (2020: US$248,000 based on 1% of total assets)

[1] These are areas which have been subject to a full scope audit by BDO network member firms

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 four significant components in Myanmar and one significant component in Vietnam, with six other components regarded as insignificant. All components, both significant and insignificant were subject to full scope audits by BDO network member firms. All insignificant components were subject to desktop reviews by the group engagement team.

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;
- 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.

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

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. In addition to the matter referred to in the Conclusions relating to going concern section we identified the following as a key audit matter.

KEY AUDIT MATTER		HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Recoverability of related party trade and other receivables **Refer to Notes 3.2(i) and 16(i)**	As described in note 16 (i) a loss allowance of US$1,004,384, leaving a net balance of US$556,896, 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. The calculation of the allowance required management judgements in making the estimates of expected future cash flow of the related party.	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 related party's cash flow projection which included projected revenues and expenditure based on the business terms and resultant cash flows of the related party to check that they are reasonable by comparing to post year levels. **Key observations:** Based on our procedures we found management's key assumptions in arriving at the impairment allowance to be appropriate.
Impairment review of goodwill **Refer to Note 3.2(ii) and 11**	Goodwill is subject to annual review of impairment that requires the use of assumptions, including revenues, expenditures and discount rates, involving management judgement and estimates that are susceptible to bias and errors.	We examined the cash flow forecasts used by Management in their review of goodwill impairment and checked the key assumptions used. The discount rate and growth rates were compared with external published information including interest rates and market comparable information. We checked that revenues and expenditures used in the forecasts were based on applying growth rates to historical audited information. We checked that the forecasts used were consistent with the cashflow forecast used in the going concern assessment. We have also checked the impact of sensitivities to key assumptions prepared by management, including reducing EBITDA or increasing 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.

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.

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

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	GROUP FINANCIAL STATEMENTS	
	2021	2020
Materiality	US$225,000	US$248,000
Basis for determining materiality	1.5% of revenue	1% of total assets
Rationale for the benchmark applied	The Group has begun to move to become an established business thus it is now more appropriate to use an income statement metric in calculating materiality	The Group is still at a growing phase
Performance materiality	US$168,000	US$186,000
Basis for determining performance materiality	75% of materiality which was deemed appropriate with reference to our risk assessment, and consideration of the group's control environment	75% of materiality which was deemed appropriate with reference to our risk assessment, and consideration of the group's control environment

Component materiality

We set materiality for each component of the Group based on a percentage of between 4% and 74% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from US$9,000 to US$166,000. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of US$11,000 (2020:US$12,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtaining an understanding of the legal and regulatory frameworks that are applicable to the Group. These include, but are not limited to, compliance with the International Financial Reporting Standards as adopted in the European Union and tax legislation in the jurisdictions the Group operates.
- We gained an understanding of the legal and regulatory frameworks that are applicable to the Group by making enquiries of management regarding the Group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- making enquiries of management and reviewing minutes of the board of Directors in order to identify any instances of fraud or non-compliance with laws and regulations;
- the engagement partner's assessment of whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations in each of the jurisdictions the Group operates;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. This included making enquiries of component auditors of their assessments of such risks in the components they audited. We identified potential for fraud in the following areas and performed the following procedures:
  - management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements.
- we also shared our assessment of areas susceptible to fraud with the component auditors to direct their audit approach which included:
  - challenging assumptions made by management in their significant accounting estimates in particular in relation to the review of goodwill for indicators of impairment (Key audit matter 2);
  - challenging assumptions made by management in their significant accounting estimates in relation to impairment of tangible fixed assets, impairment of right of use assets, lease liabilities measurement and provisions for impairment of receivables (Key audit matter 1);
  - identifying and testing journal entries, in particular any journal entries to revenue not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions of the scoped in components, including the parent company; and
  - revenue recognition: revenues were checked to be reflected in the correct accounting period. Manual postings to revenue were reviewed to ensure that no manipulation had occurred in the general ledger.
- we made enquiries with the component auditors and reviewed the work performed in response to the risks assessed above.
- communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

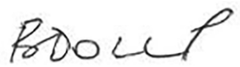
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with our engagement letter dated 10 November 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
31 January 2022

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

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Note	Financial year ended 30 September 2021	18 -month financial period to 30 September 2020
		US$	US$
Revenue	4	14,986,037	10,156,856
Other income	5	838,183	147,400
Employee benefits expense	6	(12,296,231)	(8,702,024)
Depreciation expense	10	(419,057)	(374,451)
Amortisation expense	11, 12	(2,674,559)	(1,130,789)
Loss allowance on trade and other receivables	16	(1,004,384)	(3,395,740)
Finance costs	7	(999,992)	(640,435)
Other expenses		(4,393,039)	(4,806,669)
Loss before income tax	8	(5,963,042)	(8,745,852)
Income tax credit	9	114,688	38,693
Loss for the period/year		(5,848,354)	(8,707,159)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(64,523)	(58,714)
Items that will not be reclassified subsequently to profit or loss:			
Changes in fair value of equity instruments at FVOCI	14	(361,449)	(87,180)
Other comprehensive income for the year/period, net of tax		(425,972)	(145,894)
Total comprehensive income		**(6,274,326)**	**(8,853,053)**
Loss for the year/period attributable to:			
Owners of the parent		(5,781,316)	(8,683,164)
Non−controlling interest		(67,038)	(23,995)
		(5,848,354)	(8,707,159)
Total comprehensive income attributable to:			
Owners of the parent		(6,207,288)	(8,829,058)
Non−controlling interest		(67,038)	(23,995)
		(6,274,326)	(8,853,053)
Loss per share attributable to the owners of the Company (US$)			
- Basic and diluted	23	(2.05)	(3.40)

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

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	2021	2020
ASSETS		US$	US$
Non-current assets			
Plant and equipment	10	868,989	1,157,024
Intangible assets	11	6,696,483	6,733,180
Right-of-use assets	12	10,094,291	9,310,027
Financial assets at FVOCI	14	314,125	675,574
Trade and other receivables	16	990,616	520,892
Total non-current assets		**18,964,504**	**18,396,697**
Current assets			
Inventories	15	96,366	33,498
Trade and other receivables	16	1,390,303	2,393,068
Fixed deposits	17	100,625	–
Cash and cash equivalents	17	2,165,257	3,941,413
Total current assets		**3,752,551**	**6,367,979**
Total assets		**22,717,055**	**24,764,676**
LIABILITIES AND EQUITY			
Liabilities			
Non-current liabilities			
Contract liabilities	4	607,578	282,650
Shareholder's loans	18	5,743,547	3,218,207
Lease liabilities	12	7,911,109	7,384,391
Deferred tax liabilities	19	–	245,731
Total non-current liabilities		**14,262,234**	**11,130,979**
Current liabilities			
Trade and other payables	20	2,697,681	2,363,108
Contract liabilities	4	5,284,512	4,898,069
Lease liabilities	12	1,860,070	1,960,731
Tax payables		65,730	–
Total current liabilities		**9,907,993**	**9,221,908**
Total liabilities		**24,170,227**	**20,352,887**
Equity			
Share capital	21	20,799,638	20,553,638
Accumulated losses	22	(22,288,235)	(16,517,220)
Other reserves	22	73,874	346,782
Equity attributable to owners of the Company		**(1,414,723)**	**4,383,200**
Non-controlling interests		(38,449)	28,589
Total equity		**(1,453,172)**	**4,411,789**
Total liabilities and equity		**22,717,055**	**24,764,676**

The financial statements were authorised and approved by the Board on 31 January 2022 and signed on their behalf by

Enrico Cesenni, OSI
Director and Chief Executive officer

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

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

30 September 2021	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
		US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance as at 1 October 2020		20,553,638	(118,061)	610,737	(87,180)	(58,714)	(16,517,220)	4,383,200	28,589	4,411,789
Total comprehensive income for the financial year:										
Loss for the financial year		–	–	–	–	–	(5,781,316)	(5,781,316)	(67,038)	(5,848,354)
Other comprehensive income		–	–	–	(361,449)	(64,523)	–	(425,972)	–	(425,972)
		–	**–**	**–**	**(361,449)**	**(64,523)**	**(5,781,316)**	**(6,207,288)**	**(67,038)**	**(6,274,326)**
Contribution by owners of the Company										
Issuance of shares in lieu of bonus	21	246,000	–	–	–	–	–	246,000	–	246,000
Recognition of share-based payments	22	–	–	163,365	–	–	–	163,365	–	163,365
		246,000	**–**	**163,365**	**–**	**–**	**–**	**409,365**	**–**	**409,365**
Liquidation of a subsidiary	13	–	(10,301)	–	–	–	10,301	–	–	–
Balance as at 30 September 2021		**20,799,638**	**(128,362)**	**774,102**	**(448,629)**	**(123,237)**	**(22,288,235)**	**(1,414,723)**	**(38,449)**	**(1,453,172)**

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

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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
		US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance as at 1 April 2019		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.

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Note	Financial year ended 30 September 2021	18-month financial period to 30 September 2020
		US$	US$
Operating activities			
Loss before income tax		(5,963,042)	(8,745,852)
Adjustments for:			
Interest income		(11,695)	(16,228)
Share–based compensation	6	163,365	291,169
Interest on shareholder's loans	7	243,547	218,207
Plant and equipment written off	8	99,481	60,012
Intangible assets written off		4,842	–
Impairment loss on intangible assets	8, 11	–	30,000
Depreciation of plant and equipment	10	419,057	374,451
Amortisation expense	11, 12	2,674,559	1,130,789
Lease concession	12	(768,474)	(237,130)
Interest on lease liabilities	12	756,445	422,228
Impairment loss on trade and other receivables	16	1,004,384	3,395,740
Unrealised foreign exchange gain		(920,800)	(17,768)
Operating cash flows before working capital changes		(2,298,331)	(3,094,382)
Working capital changes:			
Trade and other receivables		57,553	(538,478)
Deferred revenue		630,810	6,436
Inventories		(62,868)	(33,498)
Trade and other payables		481,771	5,277
Cash used in operations		(1,191,065)	(3,654,645)
Interest received		11,695	90
Income tax paid		–	(830)
Net cash used in operating activities		(1,179,370)	(3,655,385)
Investing activities			
Purchase of plant and equipment	10	(210,498)	(564,934)
Purchase of intangible assets	11	(2,729)	(44,198)
Advances to related parties		(592,278)	(5,243,445)
Repayment by related parties		48,013	4,268,998
Repayment by third parties other receivables		–	112,282
Acquisition of subsidiaries, net of cash acquired		–	262,316
Purchase of financial asset, at FVOCI		–	(460,174)
Net cash used in investing activities		(757,492)	(1,669,155)

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

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Note	Financial year ended 30 September 2021	18-month financial period to 30 September 2020
		US$	US$
Financing activities			
Proceeds from issuance of ordinary shares	21	–	6,385,000
Fixed deposits pledged to bank	17	(100,625)	–
Proceeds from shareholder's loans	18	2,500,000	4,000,000
Repayment of shareholder's loans	18	–	(1,000,000)
Interest on shareholder's loans	18	(218,207)	–
Repayment of lease liabilities	12	(1,312,469)	(519,098)
Interest paid on lease liabilities	12	(501,983)	(422,228)
Net cash generated from financing activities		366,716	8,443,674
Net changes in cash and cash equivalents		(1,570,146)	3,119,134
Effect of exchange rate changes on cash and cash equivalents		(206,010)	44,432
Cash and cash equivalents at beginning of year/period		3,941,413	777,847
Cash and cash equivalents at end of year/period	17	2,165,257	3,941,413

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

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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

1. GENERAL

Effective 7 December 2021, by way of the Extraordinary General Meeting on 6 December 2021, the Company had changed its corporate name from "Myanmar Strategic Holdings Limited" to "Asia Strategic Holdings Limited".

Asia Strategic Holdings Limited (the "Company" or "Asia Strategic") (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 investment, trading and to provide consultancy services to companies operating in Asia. The principal activities of the subsidiaries are set out in Note 13 to the financial statements. Related companies in these financial statements refer to members of the Asia Strategic group ("Group").

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements for the current financial year covers the 12 months period from 1 October 2020 to 30 September 2021. The audited financial statements for the last financial period covers a financial period of 18 months from 1 April 2019 to 30 September 2020. Therefore, the comparative amounts for the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements are not entirely comparable.

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 and the statement of financial position of the Company are presented in United States dollar ("US$") which is the functional currency of the Company 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.

EFFECTS OF CORONAVIRUS ("COVID−19") AND MYANMAR STATE OF EMERGENCY

On 1 February 2021, the Myanmar military announced that it had declared a state of emergency. This affected the Group's operations intermittently due to (i) outages in telecommunication, (ii) imposition of martial law in certain townships, (iii) widespread demonstrations and, subsequently and (iv) increased security risks.

The Group's operations were also affected by frequent movement restrictions to reduce any pandemic spread of Covid−19 affecting both Myanmar and Vietnam, the two key geographical areas where the Group operates (Note 25 to the financial statements).

Set out below are the impact of these events on the Group's financial performance reflected in this set of financial statements for the financial year ended 30 September 2021.

a. For certain months, the Group's American International School, Engineering college and Wall Street English language centres experienced temporary closures and employees worked from home to reduce any potential risk of Covid-19 infection. However, the Group continued to deliver education services online and offline while its security services business segment remained integral to secure embassies, customer premises and national infrastructure.

b. Entered into termination agreement with a related party in respect of the operating and management agreements for the language centres and Engineering college effective 1 October 2020. However, the Group will continue to deliver the remaining performance obligations for students enrolled prior to the effective date which is expected to complete within 2 years.

c. The Group exercised cash management and mitigating actions within their control, amongst others, include:

   - Renegotiation of lease agreements to secure lease concession and deferment of payments;
   - Reduction in operational activities and discretionary expenditures particularly for the Hospitality business segment through rationalisation of its corporate functions; and
   - Reallocation of the Group's resources to ensure diversification by industry and geography.

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 2021. The significant estimates and judgements applied are disclosed in Note 3 to the financial statements.

As the Myanmar's State of Emergency evolves on a daily basis and certain Covid−19 restrictions remain enforced as at the date of issuance of these financial statements, the Group continuously monitors these developments and makes appropriate adjustments to the business operations to ensure resilience and sustainability for each of its business segment.

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

GOING CONCERN ASSUMPTION

The Group recorded a loss for the year/period of US$5,848,354 (2020: US$8,707,159). As at reporting date, the Group's current liabilities and total liabilities exceeded its current assets and total assets by US$6,155,442 (2020: US$2,853,929) and US$1,453,172 (2020: total assets exceeded its total liabilities amounting to US$4,411,789), respectively.

The Board of Directors have carried out a detailed review of the cash flow forecast of the Group for 24 months from the financial year ended 30 September 2021 (i.e at least 12 months from the date of approval of the audited financial statements).

The cash flow forecast has been prepared based on multiple scenarios with consideration of the Covid−19, Myanmar's State of Emergency impact and other available information of the future at the end of reporting period. These scenarios applied are to reflect and adjust for future prospects and timing of future recovery with consideration of several other factors such as the general macroeconomic environment and initiatives within the control of the Group.

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 the Hospitality business segment for the period under review.

The Directors have evaluated that there are sufficient mitigating actions within their control, such as suspending the operational activities of non−profitable business segments and reducing discretionary expenditures to manage operational cost. Other key considerations in the assessment, amongst others, include:

a. Issuance and subscription of convertible notes by the existing shareholders for future business developments and working capital of the Group amounting to US$5,730,000 (resulting in net cash inflow of US$3,230,000) subsequent to the financial year end as disclosed in Note 29(b) to the financial statements;

b. Unutilised shareholder's loan Facility 1 amounting to US$1,500,000 as disclosed in Note 18 to the financial statements, for working capital purposes;

c. Undertaking by the Company's shareholder, Macan Pte Ltd ("Macan") not to demand repayment for the loan (Note 18) within the next 12 months from the date of approval of the financial statements for the financial year ended 30 September 2021; and

d. Limited variance between actual and forecasted cash flow of the Group for the period subsequent to the year end up to the date of these financial statements.

Based on the current market environment in the respective countries the Group operates, there are no indicators that warrant material adjustments to the key assumptions and judgements applied.

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 October 2020

The standards, amendments to standards, and interpretations that will apply 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.

Amendment to IFRS16 Leases: Covid−19−Related Rent Concessions beyond 30 June 2021

In March 2021, the International Accounting Standards Board amended IFRS 16 Leases, extending the practical expedient in order to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. This amendment is applicable for annual reporting periods beginning on or after 1 April 2021, with early application permitted, including in financial statements not authorised for issue at 31 March 2021.

During the financial year ended 30 September 2021, the Group was given additional rent concessions that satisfy the criteria for the application of the extended practical expedient. The Group has early adopted and applied the practical expedient to these rent concessions by remeasuring the lease liability to reflect the revised consideration using the original discount rate and the effect of change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs. The effect of applying the practical expedient is disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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)
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
IFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
IFRS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
IFRS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Various	**Annual Improvements to IFRSs** 2018–2020 ■ Amendment to IFRS 1: Subsidiary as a First–Time Adopter ■ Amendment to IFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial Liabilities ■ Amendment to IE IFRS 16: Lease Incentives ■ Amendment to IAS 41: Taxation in Fair Value Measurement	1 January 2022
Amendments to IFRS 1	Classification of Liabilities as Current or Non–current	1 January 2023
IFRS 1 and IFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
Amendments to IFRS 8	Definition of Accounting Estimates	1 January 2023

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, consolidated statement of changes in equity and consolidated statement of financial position.

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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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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 joint 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 student 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 and cash in transit, revenue are recognised at point in time when goods and services are delivered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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.

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 including enrichment programmes earned from the provision of Wall Street English language centres, engineering college and international school. Student 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. Sale of merchandise and ancillary fees are either 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 plans are charged as an expense in the period in which the related service is performed. Defined contribution plans are post–employment benefit plans under which the Group pays fixed contributions into state–managed retirement benefit schemes in the countries where the Group operates and has no legal and constructive obligation to pay further once the payments are made.

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.

TERMINATION BENEFITS

Termination benefits comprise benefits payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for such benefits. Termination benefits are recognised when the Group is committed to either terminating the employment of current employees based on a formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Initial recognition and subsequent changes to the expense and liability for termination benefits are measured in line with the accounting policies disclosed above for other short-term and long-term employee benefits.

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.

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.

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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.

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.

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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 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 receivables 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

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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 prepayments and advances) 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.

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 sales taxes, 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 a shareholder

Interest−bearing loans from a shareholder 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. For the purposes of the consolidated statement of cash flows, cash and cash equivalents excludes any pledged deposits.

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.

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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 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:

	Years
International school building	10
Office premises and education campuses	1 – 10
Motor vehicles	2.5 – 3

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 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; and
- 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 allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

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.

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 Chief Executive Officer.

3. CRITICAL ACCOUNTING JUDGEMENTS 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.

Determine the lease term

The Group leases office premise, international school building, premises for its English language centres and Engineering campus ("Office premise and Education campuses") and motor vehicles. Included in these lease arrangements, 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.

In the prior financial reporting period, management has included potential cash outflows of approximately US$7,000,000 in the measurement of lease liabilities for Office premise and Education campuses, as it is reasonably certain that the extension options will be exercised. The assessment on lease terms are reviewed at the end of each reporting date if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated. In current financial reporting period, there is no extension leases in the new leases entered by the Group.

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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 assess 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 consider factors such as whether the debtors are facing significant financial difficulties, any default or significant delay in payments. Where there is a significant increase in credit risk, the Group determine the lifetime expected credit loss by considering the loss given default, the probability of default and exposure at default assigned to each counterparty. These 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 determine 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 and loans to a subsidiary as at the end of the financial date are disclosed in the Note 16 to the financial statements.

(ii) Impairment of goodwill and other intangible assets (area development and centre fees)

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 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 2021 is disclosed in Note 11 to the financial statements.

(iii) 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 2021 are as disclosed in Note 10 and Note 12, respectively to the financial statements.

(iv) 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 rates with reference to the respective lessee's incremental borrowing rates when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rates after considering the applicable currency of the lease payments and the 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 2021 ranges from 6.0% to 9.5% (2020: 6.0%). The carrying amount of lease liabilities as at 30 September 2021 is as disclosed in Note 12 to the financial statements. 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$65,000 (2020: US$147,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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 25 to the financial statements.

	Education		Services		Hospitality		Total	
	FYE 2021	FPE 2020	FYE 2021	FPE 2020	FYE 2021	FPE 2020	FYE 2021	FPE 2020
	US$	US$	US$	US$	US$	US$	US$	US$
Rendering of services	–	–	5,664,019	5,891,462	–	–	5,664,019	5,891,462
Technical support service fees	497,849	452,825	–	–	–	135,000	497,849	587,825
Management fees	–	712,727	–	–	13,712	–	13,712	712,727
Royalty income	–	315,452	–	–	–	–	–	315,452
New centre fee	17,847	11,250	–	–	–	–	17,847	11,250
Student fees	8,792,610	2,638,140	–	–	–	–	8,792,610	2,638,140
	9,308,306	4,130,394	5,664,019	5,891,462	13,712	135,000	14,986,037	10,156,856
Timing of transfer of services								
Point in time	972	7,860	827,414	484,698	–	–	828,386	492,558
Over time	9,307,334	4,122,534	4,836,605	5,406,764	13,712	135,000	14,157,651	9,664,298
	9,308,306	4,130,394	5,664,019	5,891,462	13,712	135,000	14,986,037	10,156,856

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

	2021	2020
Contract liabilities	US$	US$
Deferred revenue	5,892,090	5,180,719
Analysed as:		
Current	5,284,512	4,898,069
Non-current	607,578	282,650
	5,892,090	5,180,719

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

	2021	2020
	US$	US$
At 1 October 2020/April 2019	5,180,719	230,983
Cash received in advance of performance and not recognised as revenue		
- Acquisition of subsidiary	–	4,538,077
- Additions	9,381,140	3,664,305
	9,381,140	8,202,382
Revenue recognised during the financial year/period:		
- On contract liabilities balances at beginning of financial year/period	(4,566,761)	(173,692)
- On cash received in advance during financial year/period	(4,181,407)	(3,078,954)
	(8,748,168)	(3,252,646)
Foreign exchange difference	78,399	–
At 30 September	5,892,090	5,180,719

(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) The Group recognised deferred revenue for new centres developed by the related party in prior years for the Education businesses and collected fees in advance of the performance obligations. In the previous financial year, the non-current deferred revenue was recognised over the remaining exclusive rights to develop and operate the Education businesses ranging from 6.5 to 8.5 years.

(ii) Student fees for Education business segments are generally collected 1 to 12 months (2020: same) and more than 12 months for certain students who prepaid 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 7 (2020: 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 2021				
New centre fees	17,847	17,847	–	35,694
Student fees	5,168,737	529,746	59,985	5,758,468
Services	97,928	–	–	97,928
	5,284,512	547,593	59,985	5,892,090
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

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5. OTHER INCOME

	Financial year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
Foreign exchange gain, net	767,833	16,140
Interest income from bank deposits	11,695	90
Singapore – Government grant	–	17,828
Sales general & administrative support fee	–	78,966
Payables written off	–	10,066
Others	58,655	24,310
	838,183	147,400

6. EMPLOYEE BENEFITS EXPENSE

	Financial year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
Wages, salaries and allowances	10,732,701	7,942,663
Contributions to defined contribution plans	103,318	40,921
Share–based compensation		
- Share bonus	640,000	246,000
- ESOS (Note 22(e))	163,365	291,169
	803,365	537,169
Termination benefits	38,428	–
Staff insurance and medical expenses	209,129	67,100
Staff accommodation and welfare	305,733	97,009
Others	103,557	17,162
	12,296,231	8,702,024

Included in salaries and bonus are Directors' fees and remuneration as disclosed in Note 24 to the financial statements.

During the financial year, the Company had accrued annual bonus of US$640,000 for certain key management personnel which were paid through the issuance of ordinary shares subsequent to the reporting date as disclosed in Note 29(c) to the financial statements.

Annual bonus for certain key management personnel accrued in the previous financial year amounting to US$246,000 were paid in the current financial year through the issuance of 41,000 ordinary shares as detailed in Note 21 to the financial statements.

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7. FINANCE COST

	Financial year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
Interest expense		
- Loans from a shareholder (Note 18)	243,547	218,207
- Lease liabilities (Note 12)	756,445	422,228
	999,992	640,435

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 year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
Professional fees	696,776	1,279,924
Hostel related operating expenses	176,171	646,256
Lease expenses on:		
- Short-term lease expense	396,750	748,424
- Variable lease payment	19,143	12,489
- Lease concession	(768,474)	(237,130)
Student enrolment fees	157,210	305,748
Travelling expenses	253,991	121,076
Marketing expenses	1,166,059	367,676
Academic expenses	575,860	156,850
Impairment loss on intangible assets	–	30,000
Bank charges on student instalment plans	325,821	60,747
Plant and equipment written off	99,481	60,012

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9. INCOME TAX CREDIT

	Financial year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
Current income tax		
- current financial year/period	65,730	–
- under provision in respect of prior financial year/period	–	830
	65,730	830
Deferred income tax		
- current financial period/year	(180,418)	(39,523)
Total income tax credit recognised in profit or loss	(114,688)	(38,693)

The corporate income tax rate applicable to the Company and its subsidiaries in Singapore is at 17% (2020: 17%).

The Group has significant operations in Myanmar and Vietnam, for which the corporate income tax rate applicable are 25% (2020: 25%) and 20% (2020: 20%), respectively.

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

The reconciliation between income tax expense and the product of accounting losses multiplied by the applicable corporate tax rates of the respective countries where the Group operates, are as follows:

	Financial year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
Loss before income tax	(5,963,042)	(8,745,852)
Tax at the domestic rates applicable to profits in the country concerned	(1,172,802)	(2,078,255)
Tax effect of non−allowable expenses	127,999	640,279
Income not subject to income tax	–	4,891
Deferred tax assets not recognised	930,115	1,393,562
Under provision of income tax in prior financial period	–	830
Total income tax credit recognised in profit or loss	(114,688)	(38,693)

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

	30 September 2021			30 September 2020		
	Singapore	Myanmar	Vietnam	Singapore	Myanmar	Vietnam
	US$	US$	US$	US$	US$	US$
Unutilised tax losses	5,315,261	8,552,304	2,551,029	4,069,439	5,952,623	2,176,034
Other temporary differences	100,023	–	–	138,815	–	–
	5,415,284	8,552,304	2,551,029	4,208,254	5,952,623	2,176,034
Unrecognised deferred tax assets on the above temporary differences	920,599	2,138,076	510,206	715,403	1,488,156	435,207

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 2021		30 September 2020	
	Myanmar	Vietnam	Myanmar	Vietnam
	US$	US$	US$	US$
Expiring in first year	837,083	192,336	85,442	175,850
Expiring in second year	5,030,098	329,907	837,083	301,629
Expiring in third year	2,685,123	132,424	5,030,098	121,073
Expiring in fourth year	–	1,725,374	–	1,577,482
Expiring in fifth year	–	170,988	–	–
	8,552,304	2,551,029	5,952,623	2,176,034

The comparative figures for the unutilised tax losses for the previous financial reporting period for Myanmar subsidiaries have been revised from US$6,346,965 to US$5,952,623 based on the latest approved tax assessment of the Inland Revenue of Myanmar to enhance the comparability with the current year's income tax reconciliation notes to the financial statements.

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10. PLANT AND EQUIPMENT

	Computers and books	Furniture and fittings	Motor vehicles	Leasehold improvements	Construction-in-progress	Total
	US$	US$	US$	US$	US$	US$
Cost						
Balance as at 1 October 2020	209,998	404,055	44,807	907,536	6,852	1,573,248
Additions	19,195	6,180	–	23,955	161,168	210,498
Reclassification	–	–	–	6,852	(6,852)	–
Written off	(8,136)	(27,850)	(4,564)	(77,656)	–	(118,206)
Foreign exchange difference	36,809	167	–	23,602	1,153	61,731
Balance as at 30 September 2021	257,866	382,552	40,243	884,289	162,321	1,727,271
Accumulated depreciation						
Balance as at 1 October 2020	86,230	125,002	17,809	187,183	–	416,224
Depreciation	69,061	80,728	3,468	265,800	–	419,057
Written off	(5,398)	(3,137)	(4,564)	(5,626)	–	(18,725)
Foreign exchange difference	32,274	86	–	9,366	–	41,726
Balance as at 30 September 2021	182,167	202,679	16,713	456,723	–	858,282
Net carrying amount						
Balance as at 30 September 2021	75,699	179,873	23,530	427,566	162,321	868,989
Cost						
Balance as at 1 April 2019	58,986	122,159	93,870	–	323,595	598,610
Acquisition of subsidiary	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
31 March 2019						
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 September 2020	123,768	279,053	26,998	720,353	6,852	1,157,024

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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$
Cost						
Balance as at 1 October 2020	395,372	40,000	103,904	273,913	6,291,859	7,105,048
Additions	2,729	–	–	–	–	2,729
Written-off	–	–	(4,842)	–	–	(4,842)
Foreign exchange difference	679	–	22,591	–	84,547	107,817
Balance as at 30 September 2021	398,780	40,000	121,653	273,913	6,376,406	7,210,752
Accumulated amortisation and impairment						
Balance as at 1 October 2020	65,875	40,000	47,731	218,262	–	371,868
Amortisation	34,597	–	23,436	55,651	–	113,684
Foreign exchange difference	6,840	–	21,877	–	–	28,717
Balance as at 30 September 2021	107,312	40,000	93,044	273,913	–	514,269
Net carrying amount						
Balance as at 30 September 2021	291,468	–	28,609	–	6,376,406	6,696,483
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	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

*The remaining useful lives of the area development, centre fees and customer related assets ranges between 1 to 9 (2020: 1 to 10) years. In the previous financial period, on acquisition of subsidiary company, Wall Street English Limited Liability Company, Vietnam ("WSE VN"), the franchisor had agreed to reinstate the expiry of the centre fees in Vietnam to 10 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

The carrying amounts of significant intangible assets allocated to the respective CGU have been grouped into the following segments:

		Education				Security services	
		Myanmar		Vietnam		Myanmar	
		2021	2020	2021	2020	2021	2020
	Note	US$	US$	US$	US$	US$	US$
Goodwill		–	–	4,937,416	4,852,869	1,438,990	1,438,990
Area development and centre fees	(a)	114,168	129,169	177,300	200,328	-	-
Customer-related assets	(b)	-	-	-	-	-	55,651

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

   The remaining useful lives of the area development and centre fees ranges between 1 to 9 (2020: 1 to 10) years. In the previous financial period, on acquisition of subsidiary company, Wall Street English Limited Liability Company, Vietnam ("WSE VN"), the franchisor had agreed to reinstate the expiry of the centre fees in Vietnam to 10 years.

b. Customer related assets are in respect of customer contracts, customer relationship and non-compete clause acquired through business combination and amortised over a useful lives of 3 years. As reporting date, the Group has fully amortised the customer related assets.

IMPAIRMENT TESTING OF GOODWILL, TRADEMARKS AND OTHER INTANGIBLE ASSETS

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

Due to the inherent uncertainty arising from the continuously evolving Covid–19 and Myanmar State of Emergency situation, the Group had performed value–in–use calculations based on the expected cash flow approach in performing its impairment assessment this year. The severity of the impact of these events varied from country to country and industries.

The financial performance of the Education business segment was impacted by these events due to intermittent and temporary closures of the Education campuses as a result of Covid-19 movement measures. However, the Myanmar state of Emergency situation resulted in an acceleration of demand for security services due to the uncertainty of events and therefore mitigated any impacts of Covid-19.

Accordingly, these uncertainties about future outcomes are reflected by applying probability–weightage to the four different cash flow scenarios (best, base, negative and worst case). These scenarios are to reflect and adjust for future prospects and timing of future recovery with consideration of several other factors such as the general macroeconomic environment and initiatives within the control of the Group. The scenarios applied in the Education CGUs were adjusted to reflect the timing of recover to reaching pre-covid results and as for the Security services, adjustments were made to reduce to normalise the future growth rates.

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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	
	Vietnam		Myanmar		Myanmar	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
Discount rate [1]	18	23	19 – 25	23 – 27	24	25
Average growth rate [2]	11	2	7 – 31	12 – 27	6	11
Terminal value growth rate [3]	1	1	0 – 2	2	1	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 used in the cash flow projections which does not exceed the expected inflation for the country of operations.

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 the CGUs geographical location of operations and management's assessment of specific risks related to each of the cash generating units.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

A sensitivity analysis on the key assumptions in the impairment testing is presented below. The allowed change represents the percentage points by which the value assigned to the key assumption can change, all other things being equal, before the CGU's recoverable amount equals its carrying value.

	Education				Security services	
	Vietnam		Myanmar		Myanmar	
	2021	2020	2021	2020	2021	2020
	%	%	%	%	%	%
Reduction in sales growth rates	2	1	1 – 11	3 -5	4	9
Increase in pre-tax discount rates	20	1	9 - 20	3 - 20	20	19

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

12. LEASES

The Group leases a number of properties for its Office premise and Education campuses 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. This lease includes variable rent payments ranging from 3.0% to 4.0% per annum of the annual gross student fees revenue over the rental period are not included in the measurement of lease liabilities and are 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 employee residences are leased, based on terms of 12 months or less and accordingly the Group applied the "short–term lease" recognition exemptions for these leases. 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$98,000 (2020: US$418,000) of aggregate undiscounted commitments for short-term leases.

(a) Right-of-use assets

	International school building	Office premise and education campuses	Motor vehicles	Total
	US$	US$	US$	US$
At 1 October 2020	3,089,470	5,989,001	231,556	9,310,027
Additions	–	3,453,823	87,864	3,541,687
Amortisation charge	(374,481)	(2,074,602)	(111,792)	(2,560,875)
Lease modification	–	(283,039)	–	(283,039)
Foreign exchange difference	–	86,491	–	86,491
At 30 September 2021	2,714,989	7,171,674	207,628	10,094,291
At 1 April 2019				
Additions	3,651,192	314,847	238,563	4,204,602
Acquisition of subsidiary	–	5,621,515	–	5,621,515
Amortisation charge	(561,722)	(368,974)	(7,007)	(937,703)
Foreign exchange difference	–	421,613	–	421,613
At 30 September 2020	3,089,470	5,989,001	231,556	9,310,027

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(b) Lease liabilities

	International school building	Office premise and education campuses	Motor vehicles	Total
	US$	US$	US$	US$
At 1 October 2020	3,114,832	5,998,172	232,118	9,345,122
Additions	–	3,453,823	87,864	3,541,687
Interest expense (Note 7)	165,290	576,563	14,592	756,445
Lease modification	–	(283,038)	–	(283,038)
Lease concession	(200,000)	(568,474)	–	(768,474)
Lease payments				
- Principal portion	(314,710)	(891,715)	(106,044)	(1,312,469)
- Interest portion	(165,290)	(322,101)	(14,592)	(501,983)
Foreign exchange differences	–	(1,006,111)	–	(1,006,111)
At 30 September 2021	2,600,122	6,957,119	213,938	9,771,179
At 1 April 2019				
Additions	3,504,812	314,847	238,563	4,058,222
Acquisition of subsidiary	–	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 payments				
- 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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

	2021	2020
	US$	US$
Contractual undiscounted cash flows		
Not later than a year	2,442,610	2,444,284
Between one and two years	3,273,925	3,692,973
Between two and five years	4,645,407	4,907,073
More than five years	1,362,171	–
	11,724,113	11,044,330
Less: Future interest expense	(1,952,934)	(1,699,208)
Present value of lease liabilities	9,771,179	9,345,122
Presented in consolidated statement of financial position		
- Current	1,860,070	1,960,731
- Non-current	7,911,109	7,384,391
	9,771,179	9,345,122

As at 30 September 2021, the additions and the net carrying amounts ROU and lease liabilities arising from lease of Office premise and Education campuses from a related party (Note 24) of the Group amounted to US$3,379,857, US$2,910,937 and US$2,555,070 (2020: Nil), respectively.

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

	2021	2020
	US$	US$
United States Dollar	3,349,182	6,370,216
Myanmar Kyat	2,074,055	115,081
Vietnamese Dong	4,347,942	2,859,825
	9,771,179	9,345,122

(c) Amount recognised in profit or loss

	2021	2020
	US$	US$
Amortisation of right–of–use assets	2,560,875	937,703
Interest expense on lease liabilities	756,445	422,228
Lease concession	(768,474)	(237,130)
Variable lease payment	19,143	12,489
Lease expense not capitalised in lease liabilities:		
- Expense relating to short–term leases	396,750	748,424
Total amount recognised in profit or loss	2,964,739	1,883,714

The Group had total cash outflows for leases of US$2,230,345 (2020: US$1,702,239) which includes expense relating to short-term lease of US$396,750 (2020: US$748,424) and variable lease payment of US$19,143 (2020: US$12,489).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

13. INVESTMENTS IN SUBSIDIARIES

The following are all the subsidiaries of the group that have been included in the consolidated financial statements and their particulars are as detailed below:

Held by the Company

Name of Company (Country of incorporation and principal place of business)	Principal activities	Effective interest held by Company		Proportion of ownership held by non–controlling interests	
		2021	2020	2021	2020
		%	%	%	%
Held by the Company					
MS Exera Pte Ltd (formerly known as Myanmar Strategic Services Pte. Ltd. ("MSE")[1] (Singapore)	Investing and trading in Myanmar–related investment projects and providing consultancy services	100	100	-	-
MS Leisure Pte Ltd (formerly known as Myanmar Strategic Leisure Pte. Ltd. ("MSL")[1] (Singapore)	Investing and trading in Myanmar–related investment projects and providing consultancy services	100	100	-	-
MS English Pte. Ltd. ("MS English") [1] (Singapore)	Investing and trading in Myanmar–related investment projects and providing consultancy services	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	30	30
American International Partners Limited ("AIP") [2] (Myanmar)	Owning and operating an international school in Myanmar	100	100	-	-
Held through MSE					
EXERA Myanmar Limited ("EXERA Myanmar") [2] (Myanmar)	Providing safety and security services	100	100	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

Name of Company (Country of incorporation and principal place of business)	Principal activities	Effective interest held by Company		Proportion of ownership held by non–controlling interests	
		2021	2020	2021	2020
		%	%	%	%
Held through MSL					
L Partners Limited ("L Partners") [2] (Myanmar)	Providing consultancy, advisory and project management services in the leisure and hospitality sector in Myanmar	100	100	-	-
Kipling Global Hospitality Group Limited ("Kipling") [2] (Myanmar)	In liquidation	100	100	-	-
Held through MS English					
E Partners Limited ("E Partners") [2] (Myanmar)	Owning and operating Wall Street English language centres in Myanmar	100	100	-	-
Held through MS English 2					
Wall Street English Limited Liability Company ("WSE Vietnam") [3] (Vietnam)	Owning and operating Wall Street English language centres in Vietnam	100	100	-	-
Held through MS Auston					
A Partners Limited ("A Partners") [2] (Myanmar)	Owning and operating Engineering college in Myanmar	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.

b) Non–controlling interests ("NCI")

There are no subsidiaries with material NCI as at 30 September 2021 and 30 September 2020.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	2021	2020
	US$	US$
At 1 October 2020/April 2019	675,574	150,000
Additions	–	612,754
Fair value recognised in other comprehensive income	(361,449)	(87,180)
At 30 September	314,125	675,574

Detail of the investment is as follows:

	2021	2020
	US$	US$
Listed equity instrument		
- London Stock Exchange	314,125	675,574

The Group designated the investment as quoted equity security to be measured at FVOCI as at 30 September 2021. The Group intends to hold the investment for long–term appreciation in value as well as strategic investment purposes.

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 year.

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

15. INVENTORIES

Inventories of the Group consist of consumables, secruity accessories, uniform, raw material – fabric, merchandise and academic books.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

16. TRADE AND OTHER RECEIVABLES

	2021	2020
Current	**US$**	**US$**
Trade receivables		
Third parties	741,036	694,598
Accrued receivables – third parties	75,554	–
Related party (Note 24)	1,042,614	893,234
Less: Loss allowances	(989,688)	–
Total trade receivables	869,516	1,587,832
Other receivables		
Related party	–	3,506,890
Less: Loss allowances	–	(3,395,740)
	–	111,150
Third parties	280,327	280,327
Less: Loss allowances	(280,327)	(280,327)
	–	–
Advances	3,743	2,927
Sundry receivables	39,465	91,425
Rental deposits	75,642	51,644
Prepayments for enrolment fees	229,250	52,421
Other prepayments	172,687	495,669
Total other receivables	520,787	805,236
Total trade and other receivables (current)	1,390,303	2,393,068
Non-current		
Rental deposits	442,609	520,892
Prepayments for enrolment fees	44,037	–
Related party (Note 24)	3,914,406	–
Less: Loss allowances	(3,410,436)	–
Total other receivables (non–current)	990,616	520,892
Total trade and other receivables	2,380,919	2,913,960
Less: Prepayments	(445,974)	(495,669)
Less: Advances	(3,743)	(2,927)
Add: Cash and cash equivalents and fixed deposits (Note 17)	2,265,882	3,941,413
Financial assets at amortised costs	4,197,084	6,356,777

TRADE AND OTHER RECEIVABLES

Trade receivables are non–interest bearing and are generally on 15 to 60 (2020: 15 to 60) days credit term. They are measured at their original invoice amounts which represent their fair value on initial recognition.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

EXPECTED CREDIT LOSS ALLOWANCES

i) Amount due from a related party

During the current financial year, loss allowances of US$1,004,384 (2020: US$3,395,740) were made on the trade and 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 and Engineering college in Myanmar. The loss allowance made during the financial year was based on the financial information of the related party and the expected repayment from the provision of property management services to the Group over a period of 9 years. At the end of reporting period, the total carrying amount of trade and non-trade receivables due from the related party is US$556,896 (2020: US$1,004,384).

The expected recovery of the amounts due from a related party resulted in a reclassification of the balances to non-current based on the expected settlement which falls more than 12 months after the end of the reporting period.

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:

	2021	2020
	US$	**US$**
United States Dollar	885,396	1,434,707
Myanmar Kyats	723,033	537,131
Vietnamese Dong	748,983	879,571
Singapore Dollar	–	11,969
British Pound	–	20,021
Euro	23,507	30,561
	2,380,919	2,913,960

17. CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

	2021	2020
	US$	**US$**
Cash at bank	1,832,389	3,851,472
Cash on hand	332,868	89,941
Cash and cash equivalents	2,165,257	3,941,413
Fixed deposits	100,625	-
	2,265,882	3,941,413

Cash at bank earns interest at floating rates based on daily bank deposit rates. Fixed deposits placed are for a period of 30 to 365 days and bear interest ranging from 4.6% to 5.4% per annum. The entire fixed deposits were pledged to a Vietnam bank as security for credit facility, and represented restricted cash.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

Cash and cash equivalents and fixed deposits are denominated in the following currencies:

	2021	2020
	US$	US$
United States Dollar	1,111,559	3,143,133
Singapore Dollar	56,181	94,325
Myanmar Kyat	667,072	97,659
Vietnamese Dong	430,555	606,181
Euro	515	115
	2,265,882	3,941,413

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting date:

	2021	2020
	US$	US$
Fixed deposits	100,625	–
Cash and bank balances and on hand	2,165,257	3,941,413
Total	2,265,882	3,941,413
Less: pledged fixed deposits	(100,625)	–
Cash and cash equivalents for the purpose of the consolidated statement of cash flows	2,165,257	3,941,413

18. SHAREHOLDER'S LOANS (UNSECURED)

Changes in shareholder's loan balances (interest and principal) arising from financing activities:

	2020	Drawdown of loan	Repayment of loan	Interest expense	2021
	US$	US$	US$	US$	US$
Loan Facility 1	2,188,124	1,000,000	(188,124)	151,576	3,151,576
Loan Facility 2	1,030,083	1,500,000	(30,083)	91,971	2,591,971
	3,218,207	2,500,000	(218,207)	243,547	5,743,547

	2019	Drawdown of loan	Repayment of loan	Interest expense	2020
	US$	US$	US$	US$	US$
Loan Facility 1	–	3,000,000	(1,000,000)	188,124	2,188,124
Loan Facility 2	–	1,000,000	–	30,083	1,030,083
	–	4,000,000	(1,000,000)	218,207	3,218,207

Loan Facility 1
On 1 July 2019, the Group secured a loan facility of up to US$3,000,000 with its shareholder, Macan ("Loan Facility 1"). On 1 November 2021, the Group had repaid outstanding principal loan amounting to US$1,500,000. Accordingly, the Group has a remaining unutilised credit facility of US$1,500,000.

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Loan Facility 2
On 23 March 2020, Macan granted the Group an additional loan facility of up to US$4,000,000 ("Loan Facility 2"). As at the date of approval of the financial statements, Loan Facility 2 has been fully settled and terminated as detailed in Note 29(a) to the financial statements.

These Loan Facilities bear semi-annual interest at 6% (2020: 6%) per annum and are repayable on demand in full with all accrued interest or no later than 30 June 2024 (2020: 30 June 2022). As at reporting date, Macan has indicated that it will not demand repayment within the next 12 months from the date of the audited financial statements of the Group for the financial year ended 30 September 2021.

19. DEFERRED TAX LIABILITIES

	2021	2020
	US$	US$
At 1 October 2020/April 2019	245,731	46,196
Acquisition of subsidiary	–	239,058
Credited to profit or loss	(180,418)	(39,523)
Others	(65,313)	–
At 30 September	–	245,731

In the previous financial year, 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 and Exera Myanmar.

20. TRADE AND OTHER PAYABLES

	2021	2020
	US$	US$
Trade payables		
Third parties	624,725	687,020
Accrued enrolment expenses	55,563	–
Total trade payables	680,288	687,020
Other payables		
Third parties	18,429	96,507
Related party	18,512	–
Accruals - others	1,060,038	1,040,575
Accruals - staff bonus	769,195	472,860
Refundable deposits from customers	131,293	–
Sales tax	19,926	66,146
Total other payables	2,017,393	1,676,088
Total trade and other payables	2,697,681	2,363,108
Add: Shareholder's loans (Note 18)	5,743,547	3,218,207
Add: Lease liabilities (Note 12)	9,771,179	9,345,122
Less: Sales tax	(19,926)	(66,146)
Financial liabilities carried at amortised cost	18,192,481	14,860,291

Trade amounts due to third parties are unsecured, non-interest bearing and is on 15 to 60 (2020: 15 to 45) days credit term.

The non-trade amounts due to third parties and a related party are unsecured, interest-free and repayable on demand.

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Trade and other payables are denominated in the following currencies:

	2021	2020
	US$	US$
United States Dollar	1,323,232	540,247
Singapore Dollar	29,768	73,977
Myanmar Kyat	485,108	308,205
Vietnamese Dong	778,251	1,343,463
Pound Sterling	68,979	97,216
Euro	12,343	–
	2,697,681	2,363,108

21. SHARE CAPITAL

	2021	2020	2021	2020
	Number of shares		US$	US$
Issued and fully paid ordinary shares:				
At 1 October 2020/April 2019	2,804,920	2,478,041	20,553,638	14,016,058
Shares issued during the financial year/period	41,000	326,879	246,000	6,537,580
At 30 September	2,845,920	2,804,920	20,799,638	20,553,638

On 24 June 2021, the Company issued 41,000 ordinary shares at US$6 per share (being the closing bid price of the Company's ordinary shares as at date of issuance) in lieu of payment for accrued employee bonus of US$246,000, in respect of employment services rendered for the previous financial period to certain key management personnel as detailed in Note 6 to the financial statements.

In the previous financial period, the following shares were issued:

a. Certain corporate shareholders have agreed to subscribe to the ordinary shares of the Company contingent to the completion of the acquisition of WSE Vietnam. 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.

b. 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.

c. 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.

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.

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22. OTHER RESERVES

	2021	2020
	US$	US$
Share option reserve	774,102	610,737
Fair value reserve	(448,629)	(87,180)
Equity reserve	(128,362)	(118,061)
Foreign exchange reserve	(123,237)	(58,714)
At 30 September	73,874	346,782

a. **Equity reserves**

The equity reserve represents the effects of changes in ownership interests in subsidiaries when there is no change in control.

b. **Accumulated losses**

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

c. **Foreign exchange reserve**

The foreign exchange 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.

d. **Fair value reserve**

	2021	2020
	US$	US$
At 1 October 2020/April 2019	(87,180)	–
Changes in fair value during the year/period	(361,449)	(87,180)
At 30 September	(448,629)	(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.

e. **Share option reserve**

	2021	2020
	US$	US$
At 1 October 2020/April 2019	610,737	319,568
Share option expense	163,365	291,169
At 30 September	774,102	610,737

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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EMPLOYEE SHARE OPTION SCHEME ("ESOS 2016")

At an Extraordinary General Meeting held on 25 October 2016, the shareholders approved the Employee Share Option Scheme granting share options to certain Directors, senior management and key employees and consultants of the Group. The Remuneration Committee comprising all the Independent Non−Executive Directors, Christopher John David Clarke, who acts as chairman of the committee, Richard Edgar Greer and Dennis Yeo Ting Teck are responsible for administering the ESOS 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 ESOS 2016 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 in previous financial period was US$3.75. These granted share options have a weighted average contractual life of 6.92 (2020: 7.9) 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$163,365 (2020: US$291,169) related to equity−settled share−based payment transactions during the financial year/period.

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

	Number		Weighted average Exercise price (US$)	
	2021	2020	2021	2020
			US$	US$
At 1 October 2020/April 2019	200,000	149,000	11	11
Granted	–	61,500	11	11
Forfeited	(6,500)	(10,500)	11	11
At 30 September	193,500	200,000	11	11

During the financial year, 6,500 share options granted on 17 October 2018 (2020: 5,000, 2,500 and 3,000 share options granted on 23 May 2017, 1 December 2017 and 17 October 2018) were forfeited as these participants ceased to be employees of the Company.

As at 30 September 2021, 158,171 (2020: 126,131) outstanding shares options are exercisable.

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 year ended 30 September 2021	18 -month financial period to 30 September 2020
Numerator		
Loss for the financial period/year attributable to the owners of the parent (US$)	(5,781,316)	(8,683,164)
Denominator		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	2,823,964	2,554,397
Loss per share (US$)		
Basic and diluted	(2.05)	(3.40)

In the current financial year and previous financial period, 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 year/period, 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 year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
With related parties*:		
- Technical support service fees	497,849	452,825
- Management fee	–	312,227
- Royalty income	–	297,252
With a Director of the subsidiaries:		
- Professional fees	90,000	117,000

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

The outstanding balances as at reporting date with related parties are disclosed in Notes 12 and 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 year/period are as follows:

	Financial year ended 30 September 2021	18 -month financial period to 30 September 2020
	US$	US$
Short-term benefits	601,227	963,259
Post-employment benefits	–	10,221
Other staff benefits	77,210	57,384
Share-based compensation		
- Share bonus (Note 6)	640,000	246,000
- ESOS (Note 22(e))	138,360	150,011
	1,456,797	1,426,875

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25. 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, Vietnam and Myanmar.

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

(a) Education – Provision of Engineering college, 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;

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

(c) Hospitality – Provision of consultancy, advisory and project management services in the leisure and hospitality sectors in Myanmar; 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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FYE 2021	Education US$	Services US$	Hospitality US$	Others US$	Total US$
Revenue	9,308,306	5,664,019	13,712	–	14,986,037
Cost of services	(5,384,400)	(4,012,997)	(176,171)	–	(9,573,568)
Other expenses	(8,415,520) *	(1,512,309) *	(187,742)	(2,098,123)	(12,213,694)
Other income	799,850 **	5,293	39,988	(6,948) #	838,183
Segment loss	(3,691,764)	144,006	(310,213)	(2,105,071)	(5,963,042)
Income tax (expense)/credit	166,505	(51,817)	–	–	114,688
Loss for the financial year	(3,525,259)	92,189	(310,213)	(2,105,071)	(5,848,354)
Other non-cash items:					
Depreciation of plant and equipment	(386,646)	(16,670)	(14,915)	(826)	(419,057)
Amortisation of ROU asset	(2,374,423)	(186,452)	–	–	(2,560,875)
Amortisation of intangible assets	(112,143)	(1,541)	–	–	(113,684)
Interest expense on lease liabilities	(718,751)	(37,694)	–	–	(756,445)
Impairment loss on trade and other receivables	(1,004,384)	–	–	–	(1,004,384)
Reportable segment assets	19,398,361	2,604,969	77,580	322,020	22,402,930
Financial assets at FVOCI	–	–	–	314,125	314,125
Total Group's assets					22,717,055
Included in the segment assets:					
Additions:					
- Plant and equipment	177,663	15,292	16,399	1,144	210,498
- Right-of-use assets	2,857,920	683,767	–	–	3,541,687
- Intangibles	2,729	–	–	–	2,729
Reportable segment liabilities representing total Group's liabilities	(16,242,496)	(1,310,814)	(13,186)	(6,603,731)	24,170,227

* Cost of services arising from "Education" and "Services" segments comprise mainly employee benefits expenses, enrolment fees and academic expenses amounting to US$7,745,478, US$157,210 and US$575,860, respectively for the financial year ended 30 September 2021.

** Other expenses from the "Education" segment includes an impairment loss on amount due from a related party amounting to US$1,004,384 for the financial year ended 30 September 2021.

Other expenses from the "Others" segment comprise mainly employee benefits expense and professional fees amounting to US$1,427,509 and US$422,934, respectively for the financial year ended 30 September 2021

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FPE 2020	Education US$	Services US$	Hospitality US$	Others US$	Total US$
Revenue	4,130,394	5,891,462	135,000	–	10,156,856
Cost of services	(1,820,826)	(4,569,272) *	(646,256)	–	(7,036,354)
Transaction cost for acquisition	(244,147)	–	–	–	(244,147)
Other expenses	(7,864,593) **	(1,515,898)	(654,397)	(1,734,719) #	(11,769,607)
Other income	83,174	23,388	4,957	35,881	147,400
Segment loss	(5,715,998)	(170,320)	(1,160,696)	(1,698,838)	(8,745,852)
Income tax (expense)/credit	7,240	31,505	(52)	–	38,693
Loss for the financial period	(5,708,758)	(138,815)	(1,160,748)	(1,698,838)	(8,707,159)
Other non-cash items:					
Depreciation of plant and equipment	(312,239)	(34,926)	(26,202)	(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 on intangible 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	19,274,966	2,615,444	128,389	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	500,794	48,328	14,380	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	(15,496,729)	(585,959)	(383,503)	(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 from "Services" segment comprise mainly employee benefits expenses amounting to US$3,852,769 for the financial period from 1 April 2019 to 30 September 2020.

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

Other expenses from the "Others" segment comprise mainly employee benefits expense and certain professional fees amounting to US$851,842 and US$234,734, respectively for the financial period from 1 April 2019 to 30 September 2020.

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GEOGRAPHICAL INFORMATION

The Group's business segments operate 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.

	2021	2020
	US$	US$
Revenue		
Singapore	−	903,277
Myanmar	7,507,002	7,269,745
Vietnam	7,479,035	1,983,834
	14,986,037	10,156,856
Segment non-current assets		
Singapore	1,603	178,051
Myanmar	8,015,138	5,804,293
Vietnam	9,643,022	11,217,887
	17,659,763	17,200,231

Non−current assets consist of plant and equipment, intangible assets and right−of−use assets in the consolidated statements of financial position of the Group.

26. 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 those key estimates and judgements applied in Note 3 to the financial statements.

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.

26.1 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.

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Excluding the amounts due from a related party, the Group has significant credit exposure arising from 10 (2020: 15) trade receivables amounting to US$408,168 (2020: US$335,125), representing 55% (2020: 48%) of the total trade receivables from third parties.

The Group has significant credit exposure arising from trade and non−trade receivables due from a related party amounting to US$52,926 and US$503,970 (2020: US$893,234 and US$111,150), representing 23% (2020: 34%) of the total current and non-current trade and other receivables.

As the Group do 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 2021.

	2021	2020
	US$	US$
Current	634,177	629,195
Past due 1 to 30 days	140,698	42,208
Past due 31 to 60 days	18,231	22,913
Past due over 60 days	23,484	282
	816,590	694,598

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 THIRD PARTY

(a) Movement in the loss allowance for trade and other receivables are as follows:

	2021	2020
	US$	US$
At 1 October/April 2019	3,676,067	280,327
Loss allowance recognised during the year/period	1,004,384	3,395,740
At 30 September	4,680,451	3,676,067

(b) For amount due from a related party (Note 16), the Board of Directors has taken into account information that it has available internally about the 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 a related party, by considering their performance and any default in external debts.

Based on their review, a loss allowance of US$1,004,384 (2020: US$3,395,740) as above has been made for amount due from a related party relating to other receivables for the operation of the managed language centres which has been identified as credit impaired. The loss allowance are measured at an amount equal to lifetime expected credit losses.

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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. The Board of Directors monitors and assesses 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 AND FIXED DEPOSITS

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

The cash and cash equivalents and fixed deposits 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 and fixed deposits have 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 and fixed deposits are categorised under the following countries:

	2021	2020
	US$	US$
Myanmar	1,369,988	318,031
Singapore	371,364	2,112,379
Vietnam	524,530	1,511,003
	2,265,882	3,941,413

26.2 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 currencies that give rise to this risk of the Group are primarily Myanmar Kyats ("MMK"), Singapore dollar ("SGD"), British Pound ("GBP") and Euro.

The Group does not have exposure to Vietnamese Dong ("VND") as these monetary items are held by a subsidiary which have VND as functional currency. There is an exposure to Myanmar Kyat as the Myanmar subsidiaries have USD as functional currency.

The Group have not entered into any currency forward exchange contracts as at the end of the reporting period.

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The Group's material exposure from foreign currency denominated financial assets and financial liabilities as at the end of the reporting period is as follows:

Group	USD	MMK	VND	Others	Total
	US$	US$	US$	US$	US$
2021					
Financial assets	2,107,492	1,386,661	936,854	80,203	4,511,210
Financial liabilities	(10,415,963)	(2,539,237)	(5,126,193)	(111,088)	(18,192,481)
Net financial (liabilities)/assets	(8,308,471)	(1,152,576)	(4,189,339)	(30,885)	(13,681,271)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	8,402,446	112,246	4,189,339	–	12,704,031
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	93,975	(1,040,330)	–	(30,885)	(977,240)

Group	USD	MMK	VND	Others	Total
	US$	US$	US$	US$	US$
2020					
Financial assets	5,092,267	530,845	1,262,378	94,440	6,979,930
Financial liabilities	(10,128,670)	(423,286)	(4,203,288)	(171,193)	(14,926,437)
Net financial (liabilities)/assets	(5,036,403)	107,559	(2,940,910)	(76,753)	(7,946,507)
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	5,941,225	–	2,940,910	–	8,882,135
Currency exposure of financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	904,822	107,559	–	(76,753)	935,628

The Group does not have exposure to Vietnamese Dong as these monetary items are in subsidiaries which have the VND as functional currency. There is exposure to Myanmar Kyat as the Myanmar subsidiaries have USD as functional currency.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to 30% (2020: 30%) change in Myanmar Kyat against United States dollar. The sensitivity analysis assumes an instantaneous change in the foreign currency exchange rates from the end of the reporting dated, with all variables held constant.

	Gain / (loss)	
	2021	2020
	US$	US$
MMK		
Strengthen against United States dollar	(312,000)	32,000
Weaken against United States dollar	312,000	(32,000)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

INTEREST RATE RISK

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 a shareholder. 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% (2020: 20%) increase in the value of the equity investment 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 US$63,000 (2020: US$135,000). 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.

26.3 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	Over 5 years	Total
	US$	US$	US$	US$	US$
30 September 2021					
Trade and other payables	2,677,755	–	–	–	2,677,755
Loans from a shareholder	–	–	6,981,273	–	6,981,273
Lease liabilities	2,442,610	3,273,925	4,645,407	1,362,171	11,724,113
	5,120,365	3,273,925	11,626,680	1,362,171	21,383,141
30 September 2020					
Trade and other payables	2,296,962	–	–	–	2,296,962
Loans from a shareholder	–	3,564,387	–	–	3,564,387
Lease liabilities	2,444,284	3,692,973	4,907,073	–	11,044,330
	4,741,246	7,257,360	4,907,073	–	16,905,679

ASIA STRATEGIC HOLDINGS LIMITED (FORMERLY KNOWN AS MYANMAR STRATEGIC HOLDINGS LIMITED) AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

27. 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 cash equivalents and fixed deposits, current trade and other receivables (excluding prepayments, due from a related party and advances), long term rental deposits 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 loans due to a shareholder approximates its fair value as the fixed interest rate approximates market interest rates for such liabilities.

The non-current receivables due from a related party (Note 16) amounting to US$503,970 has an estimated fair value of US$318,328, is measured according to Level 2 of the fair valuation hierarchy. The fair value of the amount due from a related party is determined based on discounted cash flow method, taking into consideration the estimated duration required for the related party to repay and the market interest rate used for discounting to present value.

Financial instruments measured at fair value

The financial instruments as disclosed in Note 14 to the financial statements included in Level 1 of the fair value hierarchy, are traded in active market and their fair values are based on quoted market prices at the reporting date.

There were no transfers between levels during the financial year/period.

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

28. 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 issue new shares and enter into new debt arrangements.

The capital structure of the Group consists of equity attributable to the equity holders of the Company comprising issued capital, other reserves and loans from a shareholder.

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 30 September 2020.

The Group is not subject to externally imposed capital requirements for the financial year/period ended 30 September 2021 and 30 September 2020.

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 shareholder's loans, lease liabilities less cash and cash equivalents and fixed deposits. Total capital is calculated as equity plus net debt.

	2021	2020
	US$	US$
Net debt (excl. shareholder's loans)	7,505,297	5,403,709
Shareholder's loans	5,743,547	3,218,207
Total equity	(1,453,172)	4,411,789
Total capital	11,795,672	13,033,705
Gearing ratio	112%	66%
Adjusted gearing ratio (excl. shareholder's loans) *	63.6%	41.5%

* Excluded due to subsequent settlement of loans and conversion into convertible debt after the year end as disclosed in Notes 18 and 29(a). Macan has indicated that it will not demand repayment within the next 12 months from the date of the annual report.

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29. SUBSEQUENT EVENTS

a) Settlement and termination of shareholder's loan

Subsequent to year end, the Company entered into a loan re-organisation with the Company's shareholder, Macan Pte Ltd ("Macan") for the following:

i. Subscription of a total amount of US$3,500,000 Zero Coupon Convertible Notes of the Company satisfied through cash consideration of US$1,000,000 and the conversion of Macan's Loan Facility 2 (Note 18) amounting to US$2,500,000; and

ii. termination agreement of Loan Facility 2 with the Company with effect from 31 October 2021 subject to all accrued interest under Loan Facility 2 being repaid by 15 November 2021.

b) Convertible Note Programme

On 4 November 2021, the Company launched a Convertible Note Programme to raise up to US$10,000,000 over a six months period for working capital and future investments. The convertible note ("CN") holders have an option to subscribe to either (i) a 10% coupon option ("10% Coupon Convertible Note") or (ii) a zero−coupon option ("Zero Coupon Convertible Note").

As at the date of approval of these financial statements, the Company's existing shareholders have subscribed to CN amounting to US$5,730,000 (excluding transaction costs) comprising:

i. Zero−Coupon Convertible Notes amounting to US$5,230,000 including subscription by Macan as detailed in Note 29(a); and

ii. 10% Coupon Convertible Notes amounting to US$500,000.

c) Issuance of shares in lieu of bonus payments

In December 2021, through recommendations of the Remuneration Committee of the Company, the Directors approved the payment of annual bonuses to certain key management personnel of the Group in respect of financial year ended 30 September 2021 of US$640,000 satisfied through the issuance of 80,000 new ordinary shares in the Company at a price of US$8 per share (being the closing bid price of the Company's ordinary shares as at 10 December 2021).

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

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