MYANMAR STRATEGIC HOLDINGS LIMITED
AND ITS SUBSIDIARIES

Company Registration Number: 201302159D

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM
1 APRIL 2019 TO 30 SEPTEMBER 2019

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MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No.: 201302159D

FINANCIAL AND OPERATIONAL HIGHLIGHTS
For the financial period from 1 April 2019 to 30 September 2019

FINANCIAL HIGHLIGHTS

All dates refer to the financial period ended 30 September 2019 ("6M'19"), unless otherwise stated. The financial year ended 31 March 2019 is referred to as "2019".

- Group revenues increased 40% year-on-year ("YOY") to US$2.6 million, of which 71% derived from Services, 25% from Education and 4% from Hospitality.
- Received an investment permit from the Myanmar Investment Commission ("MIC") in April 2019 in relation to the Company's first international school, the Yangon American International School ("Yangon American"). Successfully opened the campus on budget in August 2019 with over 50 students of 17 nationalities.
- Secured a strategic location for a new 650 square metres Wall Street English retail centre within the Mingalar Mandalay shopping complex in Mandalay. Announced the planned opening of the centre by January 2020, which remains on track.
- Net loss for the period amounted to US$1.7 million (6M'18: US$0.9 million), primarily due to (i) the pre-opening operating losses of Yangon American of US$0.8 million impacting the Education division and (ii) a subdued tourism market impacting the Hospitality division.
- Underlying revenues, an indicator of the volume of business generated by the managed and owned businesses, increased 28% YOY to ca. US$3.9 million of which 47% derived from Services 43% from Education and 10% from Hospitality.
- Secured loans of up to US$3 million with Macan Pte. Ltd. in July 2019, of which US$2 million was drawn immediately, to fund the Group's working capital and expansion plans.

OPERATIONAL HIGHLIGHTS

All dates refer to the financial period ended 30 September 2019 ("6M'19"), unless otherwise stated. The financial year ended 31 March 2019 is referred to as "2019".

Education

- Group revenues arising from the owned and managed education businesses for the period were US$649,846 (6M'18: US$428,307).
- Through its Education division, the Group is currently active in (i) English language learning (Wall Street English), (ii) higher education (Auston College Myanmar) and (iii) K-12 international school (Yangon American International School).
- Under the Wall Street English brand ("WSE"), the Group manages three retail English language centres and one corporate centre. As at 30 September 2019, WSE served over 1,600 registered students across its retail and corporate centres and has established itself as the leading private English language education provider in Myanmar.
- A new WSE retail centre is expected to be opened in Mandalay in January 2020. The Group continues to seek opportunities to expand the WSE franchise as it holds the exclusive rights to develop a further six WSE retail centres (up to a total of 10) over the next seven years.
- Within its higher education portfolio, MSH manages Auston College Myanmar ("Auston"), a private school offering foundation and diploma programs in engineering. The first campus opened in Yangon in May 2018, spans over three floors and covers 700 square metres.
- In April 2019, the Group also received the MIC investment permit in relation to its first international school, the Yangon American International School ("Yangon American"). The school is centrally located in Yangon in a campus of over 3,000 square metres. Its planned capacity is 400 students and operations commenced in August 2019 with over 50 students. Yangon American is fully consolidated within the Group as an Owned Business within the Group's Education division and generated revenues of US$76,509 from its opening on 19 August 2019 to 30 September 2019
- During the financial year, the education businesses generated underlying revenues of US$1.7 million (6M'18: US$ 1.3 million), yielding a 32% YOY growth.

Services

- Group revenues arising from rendering of services for the period were US$1.8 million (for the financial year ended 31 March 2019: US$3.4 million; June 2018 to September 2018: US$1.3 million).
- Through its Services division, the Group provides a range of integrated security, risk management, journey management and cash in transit services under the EXERA brand.

- Acquired by the Group in May 2018, EXERA is an internationally managed provider of security and risk management services, operating exclusively in Myanmar through an experienced workforce of ca. 1,100 security officers as at 30 September 2019.
- 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 and the EU.
- Since its acquisition in May 2018, EXERA has retained ca. 80% of the contracts that have come up for renewal or retention. Since 1 April 2019 EXERA has won 12 new contracts with 11 customers.
- In May 2019 EXERA was awarded the prestigious contract for the provision of security guarding services at the Singapore Embassy in Yangon for a period of three years. The total tendered price was ca. US$0.5 million for the initial period of three years.

Hospitality

- Management and technical assistance fees to the Group for the period were US$90,000 (6M'18: US$90,000). The low level of management fees was mainly due to a broader decline in tourist arrivals in Myanmar linked to the political uncertainty and the conflicts in Rakhine State.
- Under its Hospitality division, the Group manages four boutique hostels across three of the most popular tourist destinations in Myanmar. Following the opening of its fourth boutique hostel, Ostello Bello Bagan Pool, the Group raised the number of beds under management to 474, spread over 108 rooms in 4 locations across Bagan, Mandalay and Nyaung Shwe.
- During the financial period, the number of beds sold amounted to 24,530 (6M'18: 25,841) and the underlying revenues of managed businesses were US$0.40 million (6M'18: US$0.45 million).
- The Group's main focus is to maintain a strong operating performance and generate operational synergies to offset the currently challenging operating environment in the Myanmar tourism sector.
- Management maintains a positive outlook on the long-term prospects of the Myanmar tourism sector and is cautiously pursuing expansion opportunities in both established tourist hubs (e.g. Yangon and Ngapali) as well as up-and-coming destinations (e.g. Hpa-An and Ngwe Saung).
- In July 2019, Bagan was approved for inclusion on UNESCO's World Heritage List, more than two decades after it was first nominated. This strong vote of confidence is expected to drive an increase in overall tourism inflows in the next 12 months.

New Business Development

- MSH continues to develop its business network and expand its pipeline within both existing sectors (e.g. Education, Services and Hospitality) and new sectors (e.g. Technology).
- In May 2018, MSH agreed to make a strategic minority investment of US$150,000 in NEXLABS, one of Myanmar's leading digital consulting firms. The firm was founded in 2013 in Yangon by Ye Myat Min, named one of Forbes Asia's 30 under 30 in 2016 and employs over 80 experienced professionals. NEXLABS was awarded "Gold: Independent Agency of the Year (Cambodia, Laos and Myanmar)" by Campaign Asia in 2019 and Silver in 2018.
- Management also routinely conducts in-depth studies of new sectors (e.g. Healthcare, Retail and Financial Services) to determine whether to allocate additional human and financial resources to selected initiatives.

Myanmar Macro-Economic Highlights

- The World Bank expects Myanmar's economic growth to pick up to 6.8% in 2018/2019. The Asian Development Bank expects similar rates of 6.6% for 2019 and 6.8% in 2020. This is testament to the stability of Myanmar's growth, despite unrest in relation to the conflict in Rakhine State, of which the Company is acutely aware.
- Opening of the Myanmar insurance sector in April 2019, as Myanmar's government provisionally authorised five multinational insurance companies to establish wholly owned subsidiaries. Operations are expected to commence by the end of 2019.
- Further liberalisation of the Myanmar banking and financial services sector announced. Awarded additional foreign bank branch licenses and allowed foreign banks to apply for and operate as a subsidiary of a foreign bank. In June 2019 the International Finance Corporation ("IFC") also converted a loan to Yoma Bank into a 5% equity shareholding.

- Relaxation of visa requirements for citizens of Australia, Germany, Italy, Russia, Spain and Switzerland, with effect from 1 October 2019, and approval for inclusion of Bagan on UNESCO's World Heritage List in July 2019 expected to further boost international tourism arrivals.

Enrico Cesenni, Chief Executive Officer of Myanmar Strategic Holdings, said:

"I am very pleased to announce the Company's interim results, which reflect our continued commitment to growth and operational excellence in our operations in Myanmar.

"Over the course of the financial period MSH successfully launched its first international school, Yangon American, with over 50 students of 17 nationalities. While MSH has invested significant resources in Yangon American, we expect the school to provide an attractive contribution to the Group's margins over the next 18 to 24 months, as the student population grows.

"Wall Street English completed its full digital transformation in November 2019. The business is profitable and ready to scale further with the opening of an additional retail centre in Mandalay in January 2020.

"In the Services division, EXERA consolidated its client portfolio and won prestigious contracts, most notably, the security services contract awarded by the Singapore Embassy. EXERA has also expanded its product range by launching its integrated facilities management services, initially providing cleaning and facilities management services to Yangon American.

"Finally, the Company's Hospitality business is expected to gradually return to growth as international arrivals into Myanmar recover, thanks to stronger tourism inflows from other Asian countries.

"For the period ahead, Management will remain focused on further consolidating its leadership in its existing sectors and delivering synergies across its businesses.

"The Board is confident that the Company's consumer-focused businesses are well positioned both to contribute to, and also benefit from, the favourable outlook for economic growth in Myanmar, and we look forward to updating shareholders on our progress in due course."

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FINANCIAL REVIEW

All dates refer to the financial period ended 30 September 2019 ("6M'19"), unless otherwise stated. The financial year ended 31 March 2019 is referred to as "2019".

- The revenues generated by the Group in relation to the businesses owned and managed grew to US$2.6 million for the financial period ended 30 September 2019 (40% YOY increase) as a result of the acquisition of EXERA at the end of May 2018, the higher fees generated by the Education businesses under management, following the expansion of Wall Street English, and the launch of Yangon American.
- The fees generated by the Group in relation to the businesses under management were US$0.7 million for the financial period ended 30 September 2019 (6M'18: US$0.5 million), a 23% YOY increase. The 27% YOY increase in the fees generated by Wall Street English was offset by the stable fees generated by Ostello Bello Bagan.

RESULTS OF OPERATIONS

- The Group's Adjusted EBITDA loss, which excludes expenditure of a one-off nature and therefore shows a clearer picture of the performance of the operations, widened to US$1.2 million (6M'18: US$0.5 million), due to the pre-opening EBITDA loss of US$0.5 million incurred in relation to Yangon American.
- Once including the depreciation expense and the interest expense in relation to the right of use assets, the Group's Adjusted EBITDA loss would further widen to US$1.5 million.
- The Group's net loss amounted to US$1.7 million for the financial period ended 30 September 2019 vs. US$0.9 million for the previous financial period (2019: US$2.5 million loss)
- While revenues grew by 40% vs. the previous period, the acquisition of EXERA and the expansion of the existing businesses, lead to a 62% YOY increase in employee benefit expenses and a 54% YOY increase in other expenses.
- Direct and indirect Full Time Employees ("FTEs") increased to ca. 1,500 (ca. 1,400 as at 31 March 2019), of which ca. 300 FTEs (Mar'19: 300) were employed within the operations under management and ca. 1,200 FTEs (Mar'19: 1,100) were employed in the owned operations. The growth was driven by the opening of Yangon American and the expansion of the Wall Street English operation.
- The surge in other expenses, was mainly due to the additional expenses in relation to hostel operating expenses of US$0.2 million (2019: US$0.3 million) and marketing expenses of US$0.1 million, most of which related to the launch of Yangon American. It is worth noting that EXERA's acquisition was completed on 28 May 2018.

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No.: 201302159D

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period from 1 April 2019 to 30 September 2019

	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019
	US$	US$	US$
Revenue	2,572,353	1,840,317	4,424,892
Other income	28,671	3,348	4,932
Employee benefits expense	(2,263,964)	(1,396,276)	(3,847,090)
Other expenses (Excl. one-off expenses pursuant to the listing application, deal-related expenses and losses on disposals)	(1,522,033)	(987,123)	(2,638,392)
Adjusted EBITDA	**(1,184,973)**	**(539,735)**	**(2,055,658)**
Depreciation expense on right-of-use asset	(187,241)	-	-
Finance cost on right-of-use assets	(97,945)	-	-
Adjusted EBITDA after Impact of Right of Use Assets	**(1,470,159)**	**(539,735)**	**(2,055,658)**
One-off expenses pursuant to the listing application, deal-related expenses and loss on disposals	(32,023)	(297,551)	(321,523)
Depreciation expense	(102,144)	(19,942)	(61,484)
Finance cost	(30,218)	-	-
Amortisation expense	(65,884)	(62,823)	(128,229)
Loss before income tax	**(1,700,428)**	**(920,051)**	**(2,566,894)**
Income tax expense	10,636	-	30,330
Loss for the financial period/year, representing total comprehensive loss for the financial period/year	**(1,689,792)**	**(920,051)**	**(2,536,564)**
(Loss)/income and total comprehensive (loss)/income attributable to:			
Owner of the parent	(1,685,956)	(921,885)	(2,534,646)
Non-controlling interests	(3,836)	1,834	(1,918)
	(1,689,792)	(920,051)	(2,536,564)
Loss per share			
- Basic and diluted (US$)	(0.68)	(0.37)	(1.03)

UNDERLYING REVENUES

- The Underlying Revenues are an indicator of the total volume of business generated in each division. The operating businesses managed and owned by the Group generated revenues (“Underlying Revenues”) of US$3.9 million for the financial period ended 30 September 2019 (6M’18: US$3.0 million), an increase of ca. 28% YOY.
- The growth of the existing Education and Hospitality businesses under management was driven by the ramp up of Wall Street English Myanmar, following (i) the opening of a third WSE retail centre in August 2018 and (ii) the launch of the MCTA:RVi WSE corporate centre in November 2018.
- The businesses owned by the Group generated revenues of US$1.9 million for the financial period (US$1.3 million since EXERA’s acquisition on 28 May 2018 to 30 September 2018 and US$3.4 million for the financial year ended 31 March 2019), of which US$1.8 million of Services (EXERA) and US$0.1 million of Education (Yangon American).

Underlying revenues	Unaudited 6 months ended 30 September 2019 US$	Unaudited 6 months ended 30 September 2018 US$	Audited Year ended 31 March 2019 US$
Managed businesses			
Hospitality (Ostello Bello)	402,084	452,123	1,209,258
Education (WSE, Auston)	1,578,405	1,258,388	2,618,741
Total managed businesses	**1,980,489**	**1,710,510**	**3,827,999**
Owned Businesses			
Services (EXERA)	1,832,507	1,322,010	3,445,155
Education (Yangon American)	76,509	-	-
Total owned businesses	**1,909,016**	**1,322,010**	**3,445,155**
Total underlying revenues	**3,889,505**	**3,032,520**	**7,273,154**

GROUP REVENUES

- The operating businesses managed by the Group generated Fees to the Group of US$0.7 million in the financial period ended 30 September 2019 (6M'18: US$0.5 million). The Fees to the Group comprised of US$0.6 million fees generated by Wall Street English and US$0.1 million generated by Ostello Bello Bagan. No fees were generated by the other hostels and education businesses as they are still in a start-up phase.
- Group revenues are formed by the Fees generated by the Managed Businesses and the Revenues generated by the Owned Businesses. Group revenues for the financial period ended 30 September 2019 amounted to US$2.6 million (+40% YOY) and were composed of US$0.7 million in fees generated by the Managed Businesses and US$1.9 million in revenues generated by the Owned Businesses.

Fees generated by managed businesses	Unaudited 6 months ended 30 September 2019 US$	Unaudited 6 months ended 30 September 2018 US$	Audited Year ended 31 March 2019 US$
Hospitality (Ostello Bello)	90,000	90,000	105,000
Education (WSE, Auston)	573,338	428,307	874,737
Fees generated by managed businesses	**663,338**	**518,307**	**979,737**

LIQUIDITY AND CAPITAL RESOURCES

- With regards to the investing activities, the Group advances funds to the owners of the relevant managed operations to fund refurbishment expenses, improvements and general working capital. Such advances are unsecured and interest free and there is a risk that the Group may not be repaid some or all of these monies.
- The significant growth in cash used in investing activities for the financial period ended 30 September 2019 was primarily due to refurbishment expenses in relation Yangon American. Purchase of plant and equipment for the period amounted to US$0.4 million.
- With regards to the Group's financing activities, the Group's principal source of liquidity in the financial period ended 30 September 2019 has been a loan from the ultimate holding company. On 1 July 2019, the Company put in place a Loan Facility of up to US$3.0 million with its ultimate holding company, MACAN Pte. Ltd.. The Loan Facility is repayable on demand or no later than 3 years and may be repayable earlier at the Company's discretion and bears interest at 6.0% per annum, The Company has drawn down US$2.0 million since the year end.
- During the financial period, the net reduction in cash and cash equivalents was US$1.7 million before the loan of US$2.0 million from Macan Pte Ltd. This negative trend was due to the negative operating cash flow and the continued investments in (i) the managed operations as demonstrated by the increase in advances to related parties and third parties for the expansion of Wall Street English and (ii) the growth of the owned operations as demonstrated by the investment in the Yangon American campus.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period from 1 April 2019 to 30 September 2019

	Note	Unaudited 6 months ended 30 September 2019 US$	Unaudited 6 months ended 30 September 2018 US$	Audited Year ended 31 March 2019 US$
Revenue	4	2,572,353	1,840,317	4,424,892
Other income	5	28,671	3,348	4,932
Employee benefits expense	6	(2,263,964)	(1,396,277)	(3,847,090)
Depreciation expense	9,11	(289,385)	(19,942)	(61,484)
Amortisation expense	10	(65,884)	(62,823)	(128,229)
Other expenses		(1,554,056)	(1,284,674)	(2,931,258)
Impairment loss of financial assets		-	-	(28,657)
Finance cost	7	(128,163)	-	-
Loss before income tax	8	(1,700,428)	(920,051)	(2,566,894)
Income tax benefit		10,636	-	30,330
Loss for the financial period/year, representing total comprehensive income for the financial period/year		(1,689,792)	(920,051)	(2,536,564)
Total comprehensive income attributable to:				
Owner of the parent		(1,685,956)	(921,885)	(2,534,646)
Non-controlling interests		(3,836)	1,834	(1,918)
		(1,689,792)	(920,051)	(2,536,564)
Loss per share				
- Basic and diluted (US$)		(0.68)	(0.37)	(1.03)

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

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No.: 201302159D

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 September 2019

	Note	Unaudited As at 30 September 2019 US$	Unaudited As at 30 September 2018 US$	Audited As at 31 March 2019 US$
ASSETS				
Non-current assets				
Plant and equipment	9	856,273	262,473	536,556
Intangible assets	10	1,793,427	1,833,828	1,839,608
Right of use assets	11	3,463,951	-	-
Financial assets, at FVOCI	12	150,000	150,000	150,000
Total non-current assets		6,263,651	2,246,301	2,526,164
Current assets				
Trade and other receivables	13	4,167,747	4,104,466	4,166,647
Cash and cash equivalents	14	1,060,485	2,459,867	777,847
Total current assets		5,228,232	6,564,333	4,944,494
Total assets		11,491,883	8,810,634	7,470,658
LIABILITIES AND EQUITY				
Liabilities				
Non-current liabilities				
Contract liabilities	4	67,375	61,041	57,291
Lease liabilities	17	3,114,833	-	-
Deferred tax liabilities		34,783	-	46,196
Loan from ultimate holding company	16	2,000,000	-	-
Total non-current liabilities		5,216,991	61,041	103,487
Current liabilities				
Trade and other payables	15	715,052	697,774	783,766
Contract liabilities	4	473,541	158,992	173,692
Lease liabilities	17	247,924	-	-
Total current liabilities		1,436,517	856,766	957,458
Total liabilities		6,653,508	917,807	1,060,945
Equity				
Share capital	18	14,016,058	14,016,058	14,016,058
Equity reserves	19	(118,061)	(97,337)	(118,061)
Share option reserve	19	438,022	186,089	319,568
Accumulated losses	19	(9,546,392)	(6,247,675)	(7,860,436)
Equity attributable to owners of the parent		4,789,627	7,857,135	6,357,129
Non-controlling interest		48,748	35,692	52,584
Total equity		4,838,375	7,892,827	6,409,713
Total liabilities and equity		11,491,883	8,810,634	7,470,658

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

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No.: 201302159D

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period from 1 April 2019 to 30 September 2019

Unaudited

		6 months ended 30 September 2019						
	Note	Share capital US$	Share option reserve US$	Equity reserves US$	Accumulated losses US$	Total US$	Non-controlling interest US$	Total US$
Equity								
Balance at 1 April 2019		14,016,058	319,568	(118,061)	(7,860,436)	6,357,129	52,584	6,409,713
Loss for the financial period, representing total comprehensive income for the financial period		-	-	-	(1,685,956)	(1,685,956)	(3,836)	(1,689,792)
Contribution by owners of the parent								
Recognition of share-based payments	6	-	118,454	-	-	118,454	-	118,454
Balance at 30 September 2019		14,016,058	438,022	(118,061)	(9,546,392)	4,789,627	48,748	4,838,375

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 April 2019 to 30 September 2019

Unaudited

	Note	Share capital US$	Share option reserve US$	Equity reserves US$	Accumulated losses US$	Total US$	Non-controlling interest US$	Total US$
		6 months ended 30 September 2018						
Equity								
Balance at 1 April 2018		10,746,042	180,893	(37,457)	(5,279,332)	5,610,146	(26,322)	5,583,824
Effect of adoption of IFRS 15		-	-	-	(46,458)	(46,458)	-	(46,458)
Balance at 1 April 2018 (restated)		10,746,042	180,893	(37,457)	(5,325,790)	5,563,688	(26,322)	5,537,366
Loss for the financial period, representing total comprehensive income for the financial period		-	-	-	(921,885)	(921,885)	1,834	(920,051)
Change in ownership interest in a subsidiary								
Non-controlling interest		-	-	(59,880)	-	(59,880)	60,180	300
Contribution by owners of the parent								
Issuance of shares	18	3,270,016	-	-	-	3,270,016	-	3,270,016
Recognition of share-based payments	6	-	5,196	-	-	5,196	-	5,196
Balance at 30 September 2018		14,016,058	186,089	(97,337)	(6,247,675)	7,857,135	35,692	7,892,827

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

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial period from 1 April 2019 to 30 September 2019

Audited

		Year ended 31 March 2019						
	Note	Share capital US$	Share option reserve US$	Equity reserves US$	Accumulated losses US$	Total US$	Non-controlling interest US$	Total US$
Equity								
Balance at 1 April 2018		10,746,042	180,893	(37,457)	(5,279,332)	5,610,146	(26,322)	5,583,824
Effect of adoption of IFRS 15		-	-	-	(46,458)	(46,458)	-	(46,458)
Balance 1 April 2018 (restated)		10,746,042	180,893	(37,457)	(5,325,790)	5,563,688	(26,322)	5,537,366
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(2,534,646)	(2,534,646)	(1,918)	(2,536,564)
Change in ownership interest in a subsidiary								
Issue of shares by a subsidiary		-	-	(60,541)	-	(60,541)	60,841	300
Acquisition of non-controlling interest		-	-	(20,063)	-	(20,063)	19,983	(80)
Contribution by owners of the parent								
Issuance of shares	18	3,270,016	-	-	-	3,270,016	-	3,270,016
Recognition of share-based payments	6	-	138,675	-	-	138,675	-	138,675
Balance at 31 March 2019		14,016,058	319,568	(118,061)	(7,860,436)	6,357,129	52,584	6,409,713

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

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No.: 201302159D

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period from 1 April 2019 to 30 September 2019

	Note	Unaudited 6 months ended 30 September 2019 US$	Unaudited 6 months ended 30 September 2018 US$	Audited Year ended 31 March 2019 US$
Operating activities				
Loss before income tax		(1,700,428)	(920,051)	(2,566,894)
Adjustments for:				
Interest income		(183)	(920)	(2,099)
Gain on liquidation of a subsidiary		-	-	(1,663)
Share-based compensation	6	118,454	5,196	138,675
Interest expense on lease liabilities		97,945	-	-
Impairment loss on financial assets	7	-	-	28,657
Adjustment on rental (adoption of IFRS 16)		(26,380)	-	-
Loss on disposal of plant and equipment		-	1,015	1,015
Plant and equipment written off		5,563	-	19,801
Depreciation of plant and equipment	9	102,144	19,942	61,484
Depreciation of right-of-use assets	11	187,241	-	-
Amortisation of intangible assets	10	65,884	62,823	128,229
Operating cash flows before working capital changes		(1,149,760)	(831,995)	(2,192,795)
Working capital changes:				
Trade and other receivables		66,124	129,456	(344,546)
Contract liabilities		309,933	173,574	184,525
Trade and other payables		(59,396)	35,874	139,077
Cash used in operations		(833,099)	(493,091)	(2,213,739)
Interest received		183	920	2,099
Income tax paid		(777)	-	(51,512)
Net cash flows used in operating activities		(833,693)	(492,171)	(2,263,152)
Investing activities				
Purchase of plant and equipment	9	(437,948)	(144,852)	(480,279)
Purchase of intangible assets	10	(19,703)	(90,000)	(90,000)
Advances from / to related parties		(133,456)	(784,110)	(770,811)
Advances to third parties		(52,562)	(384,211)	29,112
Acquisition of subsidiaries, net of cash acquired		-	(1,934,886)	(1,937,040)
Purchase of other investments	12	-	(150,000)	(150,000)
Net cash flows used in investing activities		(643,669)	(3,488,059)	(3,399,018)

MYANMAR STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No.: 201302159D

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial period from 1 April 2019 to 30 September 2019

	Note	Unaudited 6 months ended 30 September 2019 US$	Unaudited 6 months ended 30 September 2018 US$	Audited Year ended 31 March 2019 US$
Financing activities				
Acquisition of equity interest from non-controlling interests		-	-	(80)
Proceeds from subscription of shares by non-controlling interests		-	300	300
Proceeds from issuance of ordinary shares		-	3,070,000	3,070,000
Loan from ultimate holding company	16	2,000,000	-	-
Payment for lease liability		(240,000)	-	-
Net cash generated from financing activities		1,760,000	3,070,300	3,070,220
Net changes in cash and cash equivalents		282,638	(909,930)	(2,591,950)
Cash and cash equivalents at beginning of financial period/year		777,847	3,369,797	3,369,797
Cash and cash equivalents at end of financial period/year	14	1,060,485	2,459,867	777,847

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

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

1 GENERAL

Myanmar Strategic Holdings Limited (the "Company") 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 1, Singapore 048624. The Company was listed on the Main Market of the London Stock Exchange on 22 August 2017.

The principal activities of the Company are investment and trading in Myanmar related to investment projects.

The Company's immediate and ultimate holding company is MACAN Pte. Ltd., a company incorporated and domiciled in Singapore. Related companies in these financial statements refer to the members of the MACAN Pte. Ltd. Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 <u>Basis of preparation</u>

The interim condensed consolidated financial statements for the six months ended 30 September 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2019.

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

The consolidated financial statements of the Group are presented in United States dollar ("US$") which is the functional currency and the presentation currency for the consolidated financial statements.

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

The Group has adopted all the new and revised IFRS that are relevant to its operations and effective for the current financial period. The adoption of these new/revised IFRS did not result in changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial periods except as detailed below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Adoption of new and amended standards and interpretations

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

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

- A single discount rate has been applied to portfolios of leases with reasonably similar characteristics;

- Leases with a remaining term of twelve months from the date of initial application have been accounted for as short-term leases (i.e. not recognised on statement of financial position) even though the initial term of the leases from lease commencement date may have been more than twelve months;

- Initial direct costs have not been included in the measurement of the right-of-use asset at the date of initial application;

- For the purpose of measuring the right-of-use asset, hindsight has been used. Therefore, it has been measured based on prevailing estimates at the date of initial application and not retrospectively by making estimates and judgements (such as lease terms) based on circumstances on or after the lease commencement date.

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

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

Lease liabilities from operating leases under the principles of IFRS 1-17 were measured at the present value of the remaining lease payments, discounted using lessee's incremental borrowing rate as at 1 April 2019.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Standards issued but not yet effective

The Company has not adopted the following relevant standards and interpretations that have been issued but not yet effective:

	Description	Effective for annual periods beginning on or after
INT FRS 3	Amendments to INT FRS 3: Definition of a Business	1 January 2020
INT FRS 1-8	Amendments to INT FRS 1-8 Definition of Material	1 January 2020

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation and business combinations

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 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 is obtained by the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

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 other members of the Group.

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. 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 Company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Basis of consolidation and business combinations

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 IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the separate financial statements of the Company, investment in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Each individual business combination, that are present ownership interests and entitle their holders to a proportionate share of net assets, are recognised by the Group on the acquisition date either at fair value, or at the proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 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 tax). The consideration promised in the contracts with customers are derived from fixed price contracts.

Deferred revenue comprises management fees, new centre fee and other advance consideration received from customers and a related party and student fees and ancillary fees earned in relation to the operation of the Yangon American International School. Deferred revenue is recognised as revenue when performance obligations under its contracts are satisfied.

Rendering of services

The Group provides security guarding, risk management, facilities 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 expanded throughout the performance period, revenue is recognised on a straight-line basis over the specified contract period.

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

Technical support service fees

Technical support service fees earned from hostel and language centres managed by the Group are recognised over time 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 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 are recognised over the exclusive rights to develop and operate for a period of 10 years.

Student fees

Student fees include the tuition fees and ancillary fees earned in relation to the operation of the Yangon American International School in Yangon. Tuition fees are recognised over the duration of the course and when services are rendered with reference to the terms of the contract. Ancillary fees are recognised at point in time and over time, respectively when goods and services are delivered.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 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 year.

2.7 Share-based payments

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 year, 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.

2.8 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the taxation authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes 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 used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year 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 asset to be recovered.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Taxes (Continued)

Deferred tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Group operates by the end of the financial year.

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.

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 translations

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 year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. 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. Nonmonetary 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 financial year. 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.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Foreign currency transactions and translations (continued)

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.

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 charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Computers	:	3 years
Furniture and fittings	:	3 years
Motor Vehicles	:	5 years

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 year.

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

Area development and centre fees

An area development fee is paid for the exclusive rights to develop and operate the ‘Wall Street English’ language centre 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. The area development and centre fees are capitalized and amortised over the period of 10 years from the date operation commences and when the new centre commences operations respectively.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Intangible assets (Continued)

The area development and centre fees are initially capitalized at cost and subsequently measured at cost less any accumulated amortisation and any accumulated losses.

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 licenses intellectual property and trademark for the operations of the Auston college. The set-up and brand licensing fees are capitalized and amortised over the period of 10 years from the date operation commences.

The set-up and brand licensing fees are initially capitalized at cost and subsequently measured at cost less any accumulated amortisation and any accumulated losses.

Computer software license

Acquired computer software license is initially capitalized 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 recognized as an expense is incurred.

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

Customer-related assets (Services segment)

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

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

Goodwill (Services segment)

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 recognized at the date of acquisition.

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

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Intangible assets (Continued)

Goodwill (Services segment) (Continued)

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 recognized for goodwill is not reversed in the 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 with finite useful lives are amortised over the estimated useful 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 year 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 recognized in profit or loss or expected category consistent with the function of the intangible asset.

An item of intangible asset is derecognized 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 year the asset is derecognised.

Area development fees and centre fees – Wall Street English

An area development fee is paid for the exclusive rights to develop and operate the "Wall Street English" language centre in Myanmar. The area development fee is capitalised and amortised over the period of 10 years from the date operation commences.

Centre fees are required to be paid in respect of the opening of a new "Wall Street English" language centre in Myanmar. The centre fees paid are capitalised and amortised over the period of 10 years from the date when the respective centre commences operations.

The area development fees and centre fees are initially capitalised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated losses.

Brand licensing Fees and Set up Fees – Auston College Myanmar

Brand license fee and set-up fee are paid for the rights to develop and operate the "Auston College" in Myanmar. The license fee is capitalised and amortised over the period of 10 years from the date of operation commences.

The brand license fee and set-up fee are initially capitalised at cost and subsequently measured at cost less any accumulated amortisation and any accumulated losses.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of non-financial assets

At the end of each financial year, 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.

The recoverable amount of an asset or cash-generating unit 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

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 provision of services to customers, 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.

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 presented 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.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Financial instruments (Continued)

Financial assets (Continued)

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

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

Financial asset at fair value through other comprehensive income ("FVOCI")

The Group has a strategic investment in the equity securities of an unlisted entity which is not accounted for as a subsidiary, associate or jointly controlled entity. 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.

Derecoqnition 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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Financial instruments (Continued)

Financial liabilities and equity instruments

Financial liabilities

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

Trade and other payables

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

Loan from ultimate holding company

Interest-bearing loan from ultimate holding company is measured at fair value, net of transaction costs and is subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of the loan is recognised over the term of the borrowings in accordance with the Group’s accounting policy for borrowing costs.

Loan due from ultimate holding company is presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case it is presented as non-current liabilities.

Derecognition of financial liabilities

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

2.14 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank which are subject to an insignificant risk of changes in value. Cash and cash equivalents carried in the statement of financial position is classified and accounted for as financial asset at amortised cost under IFRS 9.

2.15 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 year, 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.

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 judgments, 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.

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

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

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 year, 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.

(a) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical 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 Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 13.

The carrying amount of the Company's trade and other receivables are disclosed in Note 13.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(b) Valuation of intangible assets

On 28 May 2018, the Group completed the acquisition of EXERA Group for a total consideration of US$2,200,016. The acquisition was accounted for using the acquisition method and management performed a Purchase Price Allocation ("PPA") exercise which involved identification and valuation of the acquired assets and liabilities as well as estimating the residual goodwill. Management identified and valued customer-related assets and goodwill of US$273,913 and US$1,438,990, respectively. The valuation of the intangible assets involved significant estimates and key assumptions on the future market conditions, growth rates and discount rates used in the revenue forecasts prepared by management.

The Group's carrying amount of intangible assets recognised as at 30 September 2019 is disclosed in Note 10 to the financial statements.

(c) *Impairment of* Goodwill

Management performs impairment test on goodwill on an annual basis and whenever there is indication of impairment. The process of evaluating the potential impairment of goodwill is subjective and requires significant judgement. The carrying values of the cash generating units are then compared against the recoverable amounts using value-in- use. Any excess of the carrying values over the discounted future cash flows are recognised as impairment loss in profit or loss.

The Group's carrying amount of goodwill as at 30 September 2019 is disclosed in Note 10 to the financial statements.

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 22 to the financial statements.

4 REVENUE (Continued)

Disaggregation of revenue

	Hospitality			Education			Security			Total		
	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Rendering of services	-	-	-	-	-	-	1,832,507	1,322,010	3,445,155	1,832,507	1,322,010	3,445,155
Technical support service fees	90,000	90,000	105,000	156,939	177,246	306,550	-	-	-	246,939	267,246	411,550
Management fees	-	-	-	293,691	124,072	329,085	-	-	-	293,691	124,072	329,085
Student fees	-	-	-	76,509	-	-	-	-	-	76,509	-	-
Royalty fee	-	-	-	118,957	124,072	232,435	-	-	-	118,957	124,072	232,435
New centre fees	-	-	-	3,750	2,917	6,667	-	-	-	3,750	2,917	6,667
	90,000	90,000	105,000	649,846	428,307	874,737	1,832,507	1,322,010	3,445,155	2,572,353	1,840,317	4,424,892

Timing of transfer of services

Point in time	-	-	-	5,759	-	-	127,016	91,726	243,174	132,775	91,726	243,174
Over time	90,000	90,000	105,000	644,087	428,307	874,737	1,705,491	1,230,284	3,201,981	2,439,578	1,748,591	4,181,718
	90,000	90,000	105,000	649,846	428,307	874,737	1,832,507	1,322,010	3,445,155	2,572,353	1,840,317	4,424,892

4 REVENUE (Continued)

	30 September 2019	30 September 2018	31 March 2019
	US$	US$	US$
Contract liabilities			
Analysed as:			
Current	473,541	158,992	173,692
Non-current	67,375	61,041	57,291
	540,916	220,033	230,983

The non-current deferred revenue relates to new centre fee which will be recognized over the remaining exclusive rights to develop and operate ranging from 8 to 10 years, and students fees.

Significant changes in deferred revenue during the reporting period are as detailed below:

	30 September 2019	30 September 2018	31 March 2019
	US$	US$	US$
At beginning of period	230,983	-	-
Effect of transition to IFRS 15	-	46,458	46,458
Cash received in advance of performance	480,044	185,500	305,692
Amount recognized as revenue	(170,111)	(11,925)	(121,167)
At end of period	540,916	220,033	230,983

5 OTHER INCOME

	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019
	US$	US$	US$
Foreign exchange gain, net	837	2,428	1,170
Interest income from bank deposits	183	920	2,099
Others	27,651	-	-
Gain on liquidation of a subsidiary note	-	-	1,663
	28,671	3,348	4,932

6 EMPLOYEE BENEFITS EXPENSE

	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019
	US$	US$	US$
Salaries and bonus*	2,119,218	1,373,618	3,649,126
Contributions to defined contribution plans	26,292	17,463	59,289
Equity-settled share-based compensation	118,454	5,196	138,675
	2,263,964	1,396,277	3,847,090

6 EMPLOYEE BENEFITS EXPENSE (Continued)

*Included in these expenses are Director's fees and remuneration as disclosed in Note 21 to the financial statements.

7 FINANCE COST

	Unaudited 6 months ended 30 September 2019 US$	Unaudited 6 months ended 30 September 2018 US$	Audited Year ended 31 March 2019 US$
Interest expenses on:			
- Lease liabilities	97,945	-	-
- Loan from ultimate holding company	30,218	-	-
	128,163	-	-

8 LOSS BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the financial statements, the above includes the following charges:

	Unaudited 6 months ended 30 September 2019 US$	Unaudited 6 months ended 30 September 2018 US$	Audited Year ended 31 March 2019 US$
Professional fees	305,147	285,309	894,816
One-off fee in relation to EXERA acquisition	-	202,375	-
Hostel related operating expenses	201,030	-	328,186
Operating lease of motor vehicles	153,797	122,779	291,098
Royalty expenses	134,707	117,885	248,300
Security related expenses (uniform, training, traveling)	105,748	171,272	162,318
Rental of offices	79,686	59,994	263,447
Annual listing expenses	80,061	94,643	175,743
Travelling expenses	90,556	78,964	130,631
Marketing expenses	92,104	9,521	34,337
Impairment loss on financial assets	-	-	28,657
Plant and equipment written off	5,563	-	19,801
Loss on disposal of plant and equipment	-	-	1,105
Foreign exchange loss	-	30,471	-

9 PLANT AND EQUIPMENT

	Computers	Furniture and fittings	Motor Vehicles	Construction-in-progress	Total
	US$	US$	US$		US$
Cost					
At 1 April 2018	16,808	20,777	-	-	37,585
Acquisition of subsidiaries	47,071	20,676	53,627	-	121,374
Additions from 1 April 2018 to 30 September 2018	9,348	95,261	40,243	-	144,852
Disposal from 1 April 2018 to 30 September 2018	(1,239)	-	-	-	(1,239)
At 30 September 2018	71,988	136,714	93,870	-	302,572
Additions from 1 October 2018 to March 2019	34,069	(22,237)	-	323,595	335,427
Reclassification and year-end audit adjustments	(47,071)	47,071	-	-	-
Write-off from 1 October 2018 to March 2019	-	(39,389)	-	-	(39,389)
At 31 March 2019	58,986	122,159	93,870	323,595	598,610
Additions from 1 April 2019 to 30 September 2019	49,548	178,709	-	209,691	437,948
Reclassification	12,000	520,800	-	(532,800)	-
Adjustment	-	(9,318)	-	-	(9,318)
Disposal from 1 April 2019 to 30 September 2019	(1,316)	-	-	-	(1,316)
Write-off from 1 April 2019 to 30 September 2019	-	(15,393)	-	-	(15,393)
At 30 September 2019	119,218	796,957	93,870	486	1,010,531
Accumulated depreciation					
At 1 April 2018	6,306	14,076	-	-	20,382
Depreciation from 1 April 2018 to 30 September 2018	10,472	5,459	4,011	-	19,942
Disposal from 1 April 2018 to 30 September 2018	(225)	-	-	-	(225)
At 30 September 2018	16,553	19,535	4,011	-	40,099
Depreciation from 1 October 2018 to March 2019	1,430	32,172	7,941	-	41,543
Write-off from 1 October 2018 to March 2019	-	(19,588)	-	-	(19,588)
At 31 March 2019	17,983	32,119	11,952	-	62,054
Depreciation from 1 April 2019 to 30 September 2019	15,477	77,735	8,932	-	102,144
Disposal from 1 April 2019 to 30 September 2019	(110)	-	-	-	(110)
Write-off from 1 April 2019 to 30 September 2019	-	(9,830)	-	-	(9,830)
At 30 September 2019	33,350	100,024	20,884	-	154,258
Net carrying amount					
At 30 September 2018	55,435	117,179	89,859	-	262,473
At 31 March 2019	41,003	90,040	81,918	323,595	536,556
At 30 September 2019	85,868	696,933	72,986	486	856,273

10 INTANGIBLE ASSETS

	Area development fees	Computer software	Brand /Licensing fees	Opening/ Set up fees	Customer-related assets	Goodwill	Total
	US$	US$	US$	US$	US$	US$	US$
Cost							
At 1 April 2018	150,000	20,000	-	-	-	-	170,000
Acquisition of subsidiaries	-	-	20,212	-	357,802	1,283,915	1,661,929
Additions from 1 April 2018 to 30 September 2018	-	-	10,000	80,000	-	-	90,000
At 30 September 2018	150,000	20,000	30,212	80,000	357,802	1,283,915	1,921,929
Additions from 1 October 2018 to 31 March 2019	50,000	-	30,000	(80,000)	-	-	-
Reclassifications and year-end audit adjustments		20,212	(20,212)	-	(83,889)	155,075	71,186
Write-off from 1 October 2018 to 31 March 2019	-	(4,725)	-	-	-	-	(4,725)
At 31 March 2019	200,000	35,487	40,000	-	273,913	1,438,990	1,988,390
Additions from 1 April 2019 to 30 September 2019	-	19,703	-	-	-	-	19,703
At 30 September 2019	200,000	55,190	40,000	-	273,913	1,438,990	2,008,093
Accumulated amortisation							
At 1 April 2018	17,500	7,778	-	-	-	-	25,278
Amortisation from 1 April 2018 to 30 September 2018	7,500	3,333	4,684	2,333	44,973	-	62,823
At 30 September 2018	25,000	11,111	4,684	2,333	44,973	-	88,101
Reclassifications and year-end audit adjustments	833	4,184	(2,684)	(2,333)	-	-	-
Amortisation from 1 October 2018 to March 2019	10,000	9,249	2,000	-	44,157	-	65,406
Write-off from 1 October 2018 to 31 March 2019	-	(4,725)	-	-	-	-	(4,725)
At 31 March 2019	35,833	19,819	4,000	-	89,130	-	148,782
Amortisation from 1 April 2019 to 30 September 2019	10,000	8,232	2,000	-	45,652	-	65,884
At 30 September 2019	45,833	28,051	6,000	-	134,782	-	214,666
Net carrying amount							
At 30 September 2018	125,000	8,889	25,528	77,667	312,829	1,283,915	1,833,828
At 31 March 2019	164,167	15,668	36,000	-	184,783	1,438,990	1,839,608
At 30 September 2019	154,167	27,139	34,000	-	139,131	1,438,990	1,793,427

11 RIGHT OF USE ASSETS

	Total US$
Cost	
At 1 April 2019	-
Adoption of IFRS 16 (Note 2.2)	3,651,192
At 30 September 2019	3,651,192
Accumulated depreciation	
At 1 April 2019	-
Amortisation from 1 April 2019 to 30 September 2019	187,241
At 30 September 2019	187,241
Net carrying amount	
At 30 September 2019	3,463,951

The Group has a lease agreement for its international school which has a 2 years non-cancellable period with an option to renew for another 3 or 5 years at prevailing market rates.

12 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

On 21 May 2018, the Group acquired a minority equity interest in Nex Technology Pte Ltd, a digital consulting firm
NEXLABS, for a total cash consideration of US$150,000.

Fair value of financial instruments carried at fair value

The Group is exposed to fair value fluctuation arising from equity investment classified as financial assets at FVOCI held for strategic rather than trading purposes. As at reporting date, the effect of a 20% increase/(decrease) in the fair value of the unquoted equity security with all other variables held constant, the Group's fair value reserve would have been higher/(lower) by US$30,000 (2018:US$NIL).

13 TRADE AND OTHER RECEIVABLES

	Unaudited As at 30 September 2019	Unaudited As at 30 September 2018	Audited As at 31 March 2019
	US$	US$	US$
Trade receivables			
Third parties	344,963	479,800	548,705
Related party	652,118	177,246	545,265
Total trade receivables	997,081	657,046	1,093,970
Other receivables			
Related parties	2,665,899	2,545,742	2,532,443
Third parties	445,171	805,932	392,609
Less: Allowance for impairment	(280,327)	(280,327)	(280,327)
	164,844	525,605	112,282
Prepayments	212,530	271,028	300,482
Deposits	63,477	25,170	27,987
Advances for hotel operations	62,804	70,363	87,064
Sundry receivables	1,112	9,512	12,419
Total other receivables	3,170,666	3,447,420	3,072,677
Total trade and other receivables	4,167,747	4,104,466	4,166,647
Total trade and other receivables (excluding prepayments and advances for hotel operations)	3,892,413	3,763,075	3,779,101
Add: Cash and cash equivalents (Note 14)	1,060,485	2,459,867	777,847
Total financial assets carried at amortised cost	4,952,898	6,222,942	4,556,948

Trade receivables

Trade receivables are non-interest bearing and are generally on 15 to 60 (30 September 2018: 15, 31 March 2019: 15 to 60) days credit term. They are measured at their original invoice amounts which represent their fair value on initial recognition.

The amount due from related party of US$652,118 (30 September 2018: US$177,246, 31 March 2019: US$545,265) is due from a Company where a Director of the subsidiaries have beneficial interests.

13 TRADE AND OTHER RECEIVABLES (Continued)

Other receivables

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

Included in the amount due from related parties are US$2,665,899 (30 September 2018: US$2,545,742, 31 March 2019: US$2,532,443) arising from payments made on behalf of a Company where a Director of the subsidiaries have beneficial interests.

Expected credit losses assessment for trade receivables from third parties

The Group determines expected credit losses on trade receivables from third parties by making individual assessment of the expected credit loss ("ECL") for all balances, and using a provision matrix that is based on its historical credit loss experience, past due status and adjusted with forward looking assumptions, as appropriate. Management also takes into account historical provision trend and other relevant factors.

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant.

Management has taken into account the available internal information on these related party and subsidiaries' past, current and expected operating performance and cash flow position. Management monitors and assesses at each reporting date on any indicator of change in credit risk on the amounts due from the respective related party and subsidiaries, by considering their financial performance and any default in external debts. The risk of default is considered to be minimal as these related party and subsidiaries are expected to have sufficient future cash flows to repay its debts.

The receivables balances measured based on the lifetime ECL model by management have been determined to be insignificant.

14 CASH AND CASH EQUIVALENTS

	Unaudited As at 30 September 2019	Unaudited As at 30 September 2018	Audited As at 31 March 2019
	US$	US$	US$
Cash at bank	1,035,176	2,352,555	758,535
Cash on hand	25,309	107,312	19,312
	1,060,485	2,459,867	777,847

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

15 TRADE AND OTHER PAYABLES

	Unaudited As at 30 September 2019 US$	Unaudited As at 30 September 2018 US$	Audited As at 31 March 2019 US$
Trade payables			
Third party	86,674	136,466	75,610
Accrued royalty expenses	18,209	-	16,754
Total trade payables	104,883	136,466	92,364
Other payables			
Accruals	479,120	263,100	618,623
Third parties	96,622	294,028	68,599
Immediate holding company	34,427	4,180	4,180
Total other payables	610,169	561,308	691,402
Total trade and other payables	715,052	697,774	783,766
Add: loan from ultimate holding company	2,000,000	-	-
Total financial liabilities carried at amortised cost	2,715,052	697,774	783,766

Trade payables

Trade payable amount due to third party is unsecured, non-interest bearing and is on 15 to 45 (30 September 2018: 15, 31 March 2019: 15 to 45) days credit term.

Other payables

The non-trade amount due to third parties and immediate holding company is non-trade in nature, unsecured, interest-free and repayable on demand.

16 LOAN FROM ULTIMATE HOLDING COMPANY

The Company has secured a Loan Facility of up to US$3.0 million with its ultimate holding company, Macan Pte Ltd ("Macan"). The Loan Facility is repayable on demand or no later than 3 years and may be repayable earlier at the Company's discretion and bears interest at 6.0% per annum. Macan has indicated that they will not demand repayment within the next 12 months; unless otherwise notified. The Company has drawn down US$2.0 million.

17 LEASE LIABILITIES

	Total
	US$
Group	
At 1 April 2019	-
- Finance lease liabilities under IFRS 1-17	-
- Adoption of IFRS 16	3,744,812
	3,744,812
Additions	-
Interest expense	97,945
Modifications to lease terms	-
Variable lease payment adjustments	-
Lease payments	
- Principal portion	(480,000)
- Interest portion	-
Exchange difference	-
At 30 September 2019	3,362,757

	Unaudited As at 30 September 2019	Unaudited As at 30 September 2018	Audited As at 31 March 2019
	US$	US$	US$
Maturity analysis:			
Within one year	480,000	-	-
Between two and five years	1,920,000	-	-
Between six and nine years	1,920,000	-	-
Total lease payment	4,320,000	-	-
Less: future interest expense	957,243	-	-
Present value of lease liabilities	3,362,757	-	-
Presented in consolidated statement of financial position			
Non-current	3,114,833	-	-
Current	247,924	-	-
	3,362,757	-	-

The Group leases an international school for a period of 10 years. It is customary for lease contract to provide payment to increase each year by inflation, to be reset periodically to market rental rates or fixed payments. The lease liabilities excludes additional rent payments of 3.0% to 4.0% of the gross revenue from tuition fees earned by the Project over the rental period.

18 SHARE CAPITAL

Issued and fully paid ordinary shares

	Unaudited As at 30 September 2019		Unaudited As at 30 September 2018		Audited As at 31 March 2019	
	No. of shares	US$	No. of shares	US$	No. of shares	US$
Ordinary shares						
At beginning of financial period/year	2,478,041	14,016,058	2,317,133	10,746,042	2,317,133	10,746,042
Shares issued during the financial period/year	-	-	160,908	3,270,016	160,908	3,270,016
At end of financial period/year	2,478,041	14,016,058	2,478,041	14,016,058	2,478,041	14,016,058

On 29 May 2018, the Company issued 7,408 ordinary shares at US$27 per share as part of the purchase consideration of EXERA Group, representing fair value of US$200,016 as disclosed in Note 12(b)(i) to the financial statements.

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

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.

19 RESERVES AND ACCUMULATED LOSSES

i) Equity reserves

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

ii) Accumulated losses

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

iii) Share option reserve

Share options reserve which represents the equity-settled share options granted to employees (Note 6). 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.

No share options were exercisable during the current and previous financial years.

20 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss for the financial period/year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period/year.

	Unaudited 6 months ended 30 September 2019	**Unaudited 6 months ended 30 September 2018**	**Audited Year ended 31 March 2019**
Loss for the financial period/year attributable to owners of the Company (US$)	(1,685,956)	(921,885)	(2,534,646)
Weighted average number of ordinary shares during the financial period/year applicable to basic loss per share	2,478,041	2,424,405	2,453,229
Basic and diluted	(0.68)	(0.37)	(1.03)

In the previous financial period, diluted loss per share is the same as the basic loss per share because of the inclusion of potential ordinary shares for the convertible bonds is anti-dilutive.

In the current 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.

21 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019
	US$	US$	US$
With related parties*:			
- Technical support service fees	156,939	177,246	306,550
- Management fee	109,858	149,072	239,585
- Royalty fee	109,858	124,072	214,585
- Advances to	164,107	784,110	770,811
With a Director of the subsidiaries:			
- Professional fees	54,000	59,000	108,000

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

Key management personnel remuneration

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

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

	Unaudited 6 months ended 30 September 2019	Unaudited 6 months ended 30 September 2018	Audited Year ended 31 March 2019
	US$	US$	US$
Short-term benefits	238,111	225,722	429,398
Post-employment benefits	9,637	4,521	12,281
Other staff benefits	10,691	1,110	16,835
Share-based compensation	50,320	46,552	102,923
	308,759	277,905	561,437

22 SEGMENT INFORMATION

Management has determined the operating segment based on the reports reviewed by the chief operating decision maker. For management purposes, the Group is organised into business units based on its products and services, and has three reportable operating segments as follows:

a. Hospitality – Provision of consultancy, advisory and project management services in leisure and hospitality sectors in Myanmar;
b. Education – Provision of consultancy, advisory and project management services in the education sector and operation of an international school in Myanmar;
c. Services – Provision of consultancy, advisory and project management services in the service sector in Myanmar, focusing initially on security and facilities management services; and
d. Others – Corporate services to provide management and marketing support to respective entities of the Group.

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.

Segment assets comprise primarily of plant and equipment, intangible assets, other investment, cash and cash equivalent and trade and other receivables.

Segment liabilities comprise trade and other payables.

30 September 2019	**Hospitality** US$	**Education** US$	**Services** US$	**Others** US$	**Total** US$
Revenue	90,000	649,846	1,832,507	-	2,572,353
Cost of services and royalties	(201,030)	(152,899)	(1,357,709)*	-	(1,711,638)
Other expenses	(90,967)	(1,058,728)	(547,704)	(735,764)	(2,433,163)
Interest income	9	10	3	161	183
Interest expense	-	(97,945)	-	(30,218)	(128,163)
Segment loss	(201,988)	(659,716)	(72,903)	(765,821)	(1,700,428)
Income tax expense	-	-	10,636	-	10,636
Loss for the year	(201,988)	(659,716)	(62,267)	(765,821)	(1,689,792)
Other non-cash items:					
Depreciation of plant and equipment	(12,619)	(73,785)	(15,496)	(244)	(102,144)
Depreciation of right-of-use asset	-	(187,241)	-	-	(187,241)
Amortisation	-	(16,124)	(49,760)	-	(65,884)

- Cost of services and royalties from "Services" segment comprise mainly employee benefits amounting to US$ 1,112,571 for the financial period ended 30 September 2019.

22 SEGMENT INFORMATION (Continued)

30 September 2019 (Continued)	Hospitality US$	Education US$	Services US$	Others US$	Total US$
Assets					
Intangible assets	-	209,302	1,584,125	-	1,793,427
Plant and equipment	56,691	710,157	88,809	616	856,273
Right-of-use assets	-	3,463,951	-	-	3,463,951
Financial asset at fair value OCI	-	-	-	150,000	150,000
Cash and cash equivalents	198,762	242,977	198,029	420,717	1,060,485
Trade and other receivables	135,172	3,500,469	466,832	65,274	4,167,747
Liabilities					
Trade and other payables	83,388	223,969	153,129	254,566	715,052
Lease liabilities	-	3,362,757	-	-	3,362,757
Contract liabilities	-	493,591	47,325	-	540,916
Deferred tax liabilities	-	-	34,783	-	34,783

30 September 2018	Hospitality US$	Education US$	Services US$	Others US$	Total US$
Revenue	90,000	428,307	1,322,010	-	1,840,317
Cost of services and royalties	-	(117,885)	(938,460)	-	(1,056,345)
Other expenses	(143,881)	(257,035)	(429,831)	(874,196)	(1,704,943)
Interest income	14	52	95	759	920
Segment (loss)/income	53,867	53,439	(46,186)	(873,437)	920,051
Other non-cash items:					
Depreciation of plant and equipment	(6,220)	-	(12,993)	(729)	(19,942)
Amortisation	-	(13,666)	(49,157)	-	(62,823)
Assets					
Intangible assets	-	221,056	1,612,772	-	1,833,828
Plant and equipment	65,066	80,915	114,965	1,527	262,473
Other investment	-	-	-	150,000	150,000
Cash and cash equivalents	72,575	354,109	270,405	1,762,778	2,459,867
Trade and other receivables	652,317	2,697,942	674,171	80,036	4,104,466
Liabilities					
Trade and other payables	44,800	109,407	349,603	130,423	697,774
Contract liabilities	-	193,541	-	26,492	220,033

22 SEGMENT INFORMATION (Continued)

31 March 2019	**Hospitality** US$	**Education** US$	**Services** US$	**Others** US$	**Total** US$
Revenue	105,000	874,737	3,445,155	-	4,424,892
Cost of services and royalties	(328,186)	(252,938)	(2,500,315)	-	(3,081,439)
Transaction cost for acquisitions	-	-	(146,449)	(154,258)	(300,707)
Other expenses	(54,065)	(893,097)	(1,080,584)	(1,583,993)	(3,611,739)
Interest income	29	82	919	1,069	2,099
Segment loss	(277,222)	(271,216)	(281,274)	(1,737,182)	(2,566,894)
Income tax credit	(1,262)	-	31,592	-	30,330
Loss for the year	(278,484)	(271,216)	(249,682)	(1,737,182)	(2,536,564)
Other non-cash items:					
Depreciation of plant and equipment	(17,748)	(11,024)	(31,432)	(1,280)	(61,484)
Amortisation	-	(29,000)	(99,229)	-	(128,229)
Impairment loss of financial asset	(17,677)	(8,819)	(2,161)	-	(28,657)
Plant and equipment written off	-	-	(19,801)	-	(19,801)
Assets					
Intangible assets	-	205,722	1,633,886	-	1,839,608
Plant and equipment	69,491	387,603	78,602	860	536,556
Financial asset at fair value OCI	-	-	-	150,000	150,000
Cash and cash equivalents	141,338	148,278	151,968	336,263	777,847
Trade and other receivables	30,739	3,402,761	677,478	55,669	4,166,647
Liabilities					
Trade and other payables	228,410	6,904	208,863	339,769	783,766
Contract liabilities	-	205,291	25,692	-	230,983
Deferred tax liability	-	-	46,196	-	46,196

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's activities have exposure to credit risks, market risks (including foreign currency risks and interest rates risks) 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. 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.

Credit risk

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. 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 Group's and the Company's major classes of financial assets are cash and cash equivalents and trade and other receivables.

Exposure to credit risk

Excluding the amounts due from a related party, the Group has significant credit exposure arising from 5 (30 September 2018: NIL, 31 March 2019: NIL) third party trade receivables amounting to US$165,392 (30 September 2018: US$269,143, 31 March 2019: US$328,910), representing 48% (30 September 2018: 56%, 31 March 2019: 60%) of the total trade receivables from third parties.

The Group has significant credit exposure arising from trade and non-trade amounts due from a related party amounting to US$652,118 (30 September 2018: US$177,246, 31 March 2019: US$545,265) and US$2,665,899 (30 September 2018: US$2,545,742, 31 March 2019: US$2,532,443), respectively as at 30 September 2019.

Expected credit loss assessment for trade receivables from third parties

The Group determines expected credit losses on trade receivables from third parties by making individual assessment of the expected credit loss ("ECL") for all balances, and using a provision matrix that is based on its historical credit loss experience, past due status and adjusted with forward looking assumptions, as appropriate. Management also takes into account historical provision trend and other relevant factors.

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant. 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 2019.

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

Credit (Continued)

	30 September 2019
	US$
Current	419,787
Past due 1 to 90 days	207,868
Past due 91 to 180 days	77,989
Past due 181 to more days	495,179
	1,200,823

Expected credit loss assessment for trade and other receivables due from a related party and Subsidiaries

Management has taken into account the available internal information on these related party and subsidiaries' past, current and expected operating performance and cash flow position. Management monitors and assesses at each reporting date on any indicator of change in credit risk on the amounts due from the respective related party and subsidiaries, by considering their financial performance and any default in external debts. The risk of default is considered to be minimal as these related party and subsidiaries are expected to have sufficient future cash flows to repay its debts.

The receivables balances measured based on the lifetime ECL model by management have been determined to be insignificant.

Other receivables due from third parties

The Group has assessed credit risk for other receivables amounts due from third parties based on 12-month expected loss basis which reflects the low credit risk of the exposures. The Group measured the impairment loss allowance and determined that the ECL is insignificant.

Cash and cash equivalents

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

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

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), and interest rates (interest rate risk).

Foreign currencv risks

The Group is exposed to changes in foreign exchange rates arising from foreign currency transactions and balances. The Group's overall financial risk management programme seeks to minimise potential adverse effects on the financial performance and position of the Group. The Group's overall risk management are determined and carried out by the management. The Group does not hold or issue derivative financial instruments for speculative purposes.

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

Market risks (Continued)

Foreign currencv risks (Continued)

The Group and the Company are exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the Singapore dollar, Myanmar Kyat, Euro and Pound Sterling.

The Group and the Company monitor the movement in foreign currency exchange rates closely to minimise the exposure.

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

	Financial Assets		
	Unaudited As at 30 September 2019	**Unaudited As at 30 September 2018**	**Audited As at 31 March 2019**
	US$	US$	US$
United States Dollar	4,490,726	5,706,486	4,214,349
Singapore Dollar	38,052	302,168	45,442
Myanmar Kyat	404,999	195,042	278,005
Euro	19,121	19,246	19,152
	4,952,898	6,222,942	4,556,948

	Financial Liabilities		
	Unaudited As at 30 September 2019	**Unaudited As at 30 September 2018**	**Audited As at 31 March 2019**
	US$	US$	US$
United States Dollar	592,686	333,697	359,794
Myanmar Kyat	9,931	281,282	210,769
Singapore Dollar	58,962	69,905	70,781
Pound Sterling	53,473	12,890	142,422
	715,052	697,774	783,766

Foreign currency sensitivity analysis

The following table details the Group's and the Company's sensitivity to a 10% (30 September 2018: 10%,31 March 2019: 10%) change in Myanmar Kyat ("MMK") and Pound Sterling ("GBP"), respectively against United States dollar. The sensitivity analysis assumes an instantaneous 10% (30 September 2018: 10%, 31 March 2019: 10%) change in the foreign currency exchange rates from the end of the financial year, with all variables held constant.

23 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

Market risks (Continued)

Foreign currency sensitivity analysis (Continued)

	Profit or loss / Equity		
	Unaudited As at 30 September 2019	**Unaudited As at 30 September 2018**	**Audited As at 31 March 2019**
	US$	US$	US$
MMK			
Strengthened against USD - 10% (30 September 2018: 10%, 31 March 2019: 10%)	39,507	(2,404)	6,724
Weakened against USD - 10% (30 September 2018: 10%, 31 March 2019: 10%)	(39,507)	2,404	(6,724)
GBP			
Strengthened against USD - 10% (30 September 2018: 10%, 31 March 2019: 10%)	(5,347)	(7,882)	(14,242)
Weakened against USD - 10% (30 September 2018: 10%, 31 March 2019: 10%)	5,347	7,882	14,242

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loan from ultimate holding company.

The Company does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Liquidity risks

Liquidity risks refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

The Group actively manages its operating cash flows so as to ensure that all repayment needs are met. As part of its overall prudent liquidity management, the Group minimises liquidity risk by maintaining sufficient level of cash to meet its working capital requirements.

The financial liabilities are repayable on demand or due within one year from the end of the financial year.

24 Fair value of financial assets and financial liabilities

Fair value hierarchy

The Group and the Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximate at fair value

The Group's and Company's financial assets and financial liabilities include cash and cash equivalents, trade and other receivables (excluding prepayments and advances for hostel operations) and trade and other payables.

The carrying amounts of these financial assets and liabilities are a reasonable approximation of their fair values due to their short term maturity of these financial instruments.

There were no transfers between levels during the period.

25 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 maintain 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 or sell assets to reduce debts.

The capital structure of the Group consists of equity attributable to the equity holders of the Company comprising issued capital, equity reserves, share option reserve and accumulated losses.

The Group's management review 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 2018.

The Group is not subjected to externally imposed capital requirements for the financial period ended 30 September 2019 and 30 September 2018 and for the financial year 31 March 2019.