



**ASIA STRATEGIC HOLDINGS LIMITED
AND ITS SUBSIDIARIES (THE "GROUP")**
Company Registration Number: 201302159D

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM
1 OCTOBER 2022 TO 31 MARCH 2023

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ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

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FINANCIAL AND OPERATIONAL HIGHLIGHTS

For the financial period from 1 October 2022 to 31 March 2023

The financial information presented in this report refers to the six-month financial period ended 31 March 2023 ("6M'23" or "FPE 2023") and the Group's financial year ended 30 September 2022 ("FYE 2022"), unless otherwise stated. The comparative six-month financial period from 1 October 2021 to 31 March 2022 is referred to as "6M'22" or "FPE 2022".

FINANCIAL HIGHLIGHTS

- Group revenues for the six-month financial period ended 31 March 2023 increased 38% year-on-year ("YOY") to US\$11.5 million, of which 77% derived from Education and 23% from Services (6M'22: 64% derived from Education and 36% from Services). The double-digit revenue growth was driven by (i) Myanmar's Education segment surpassing pre-COVID-19 levels with revenue growth of 141% YOY despite the complex political and economic environment, and (ii) the continued turnaround in Vietnam's Education segment, delivering revenue growth of 22% YOY. The strong performance in the Education segment compensated for the weaker revenue generation in the Services segment in Myanmar, which recorded a 13% decline YOY due to the adverse economic conditions and the currency impact.
- Group gross profit for the six-month financial period ended 31 March 2023 increased 106% YOY to US\$6.6 million, of which 90% derived from Education and 10% from Services (6M'22: 68% derived from Education and 32% from Services). As a percentage of Group revenues, the gross profit margin stood at 57% for 6M'23 vs. 38% for 6M'22, thanks to (i) the strong commercial performance post COVID-19, (ii) the shift to higher margin products and (iii) the higher utilisation of teaching personnel and facilities.
- Despite the significant improvement in gross margin to 57% for 6M'23 (6M'22: 38%), the Group recorded only a moderate improvement in net losses to US\$2.3 million for 6M'23 (6M'22: US\$2.6 million net loss). Excluding the operating losses incurred in the financial period for the newly launched business of Kids&Us, net losses of the Group would be reduced by US\$0.6 million to US\$1.7 million. Other contributing factors were (i) the high volatility of the foreign exchange rates in Myanmar, (ii) the slower than expected recovery of Wall Street English ("WSE") Vietnam, and (iii) the lower profitability of EXERA due to a US\$0.4 million decline in revenues.
- The Group recorded a net comprehensive loss (including the foreign exchange difference in the translation of foreign operations and changes in fair value of FVOCI) for 6M'23 of US\$2.4 million (6M'22: US\$2.7 million).
- Student fees in the Education segment and risk management report subscriptions at EXERA are generally collected in advance of service performance. For 6M'23, the Group collected cash from customers in advance of service performance amounting to US\$9.4 million, an increase of US\$2.9 million compared to the previous financial period (6M'22: US\$6.5 million). At 31 March 2023, the Group's current and long-term deferred revenue amounted to US\$9.8 million and US\$0.7 million respectively (30 September 2022: US\$8.1 million and US\$1.9 million). Current deferred revenues shall be realised within the next twelve months while long-term deferred revenues shall be realised in FYE 2024 and FYE 2025.
- As a result of strong sales performance from the Education segment, the Group recorded positive cash flows from operating activities of US\$1.6 million, an increase of US\$0.4 million compared to 6M'22 (US\$1.2 million). If repayment of lease liabilities were considered, the Group would have recorded US\$0.2 million cash inflows from operating activities (6M'22: US\$0.2 million cash outflows).
- The Group maintains a loan facility of US\$3.0 million with MACAN, the Group's largest corporate shareholder and had drawn down US\$1.7 million at the date of this report (US\$1.5 million as at 31 March 2023). The recent additional loan drawn down was to fund the short-term working capital of Kids&Us in Vietnam and capital expenditures during its start-up phase.
- The diversification of the Group's operations between Vietnam and Myanmar continues to play an important role in mitigating single-country exposure. Management has assessed that there are sufficient mitigating actions within the control of the Group to ensure liquidity for at least the next twelve months from the date of this report. These include (i) undertaking a controlled expansion of its existing and future businesses, (ii) maintaining financial liquidity discipline, and (iii) accessing the unutilised credit facility of US\$1.3 million with MACAN.

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OPERATIONAL HIGHLIGHTS

Education

- Group revenues from the owned Education businesses for 6M'23 were US\$8.8 million (6M'22: US\$5.1 million). Furthermore, during the period the Group completed service delivery to legacy students resulting in the managed Education business contributing only US\$0.01 million for 6M'23 (6M'22 US\$0.2 million).
- The increase in Education revenues is attributable to (i) a US\$2.8 million increase in Myanmar revenues (+141% YOY), driven by strong revenue growth at Auston and Wall Street English Myanmar which exceeded pre COVID-19, (ii) a US\$0.7 million improvement in WSE Vietnam revenues, and (iii) a US\$0.1 million revenue contribution from the launch of Kids&Us in Vietnam with four centres opened since late 2022. It is worth noting that, despite persistent headwinds in Myanmar, high revenue and student growth demonstrate underlying robust demand and willingness to invest in high quality and globally recognised educational programmes.
- At 31 March 2023, the Group's current and long-term deferred revenue from Education businesses were US\$9.6 million and US\$0.7 million (6M'22: US\$7.9 million and US\$1.9 million), respectively.
- The Education segment currently operates the Group's owned businesses and services legacy students for the managed business of a related party, and comprises:
 - (i) Adult English language education (Wall Street English) in Vietnam and Myanmar;
 - (ii) Tertiary education (Auston University) in Myanmar;
 - (iii) Children English language education (Kids&Us) in Vietnam and Myanmar; and
 - (iv) K-12 international school (Yangon American International School) in Myanmar.

Through these businesses Asia Strategic provides a wide range of education services to students from the age of one. Furthermore, Wall Street English supports the training of the Group's employees and provide synergistic value to the learning and development goals of the Group.

At 31 March 2023, the number of centres and students were as follows:

	Number of centres		Number of students	
	<u>31-Mar-2023</u>	<u>31-Mar-2022</u>	<u>31-Mar-2023</u>	<u>31-Mar-2022</u>
Vietnam				
- Wall Street English	7	7	3,584	2,465
- Kids&Us	4	-	228	-
Myanmar				
- Wall Street English	5	4	3,631	1,821
- Auston	2	1	583	165
- Yangon American	1	1	57	80
- Kids&Us	- #	-	-	-
Group	19#	13	8,083	4,531

The first Kids&Us centre in Myanmar has opened in June 2023, bringing the total number of centres to 20.

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Wall Street English

- The Group has exclusive development and franchising agreements with Wall Street English International to develop English language centres across Myanmar. At 31 March 2023, WSE Myanmar served over 3,600 (+99% YOY) students over 5 centres.
- In July 2020, the Company completed the acquisition of the Wall Street English business in Vietnam. At 31 March 2023 WSE Vietnam operated 7 centres in Ho Chi Minh and Binh Duong serving ca. 3,600 students (+45% YOY).
- 6M'23 revenues for Wall Street English Vietnam and Myanmar were US\$4.0 million and US\$3.4 million (6M'22: US\$3.3 and US\$1.4 million), respectively. Together, the businesses contributed 64% (6M'22: 57%) of the Group's revenue.
- At 31 March 2023, WSE's deferred revenues (current and long-term) amounted to ca. US\$8.4 million, up from US\$8.2 million at 30 September 2022, including US\$7.9 million to be realised as revenue in the next twelve months, up from US\$6.7 million at 30 September 2022.

Auston

- Auston University ("Auston") is the result of a strategic collaboration with the Auston Institute of Management, an operator of private schools in Singapore that prepares students for careers in Engineering, Information Technology and Project Management through higher education learning.
- In February 2020, the Company entered a partnership with Liverpool John Moores University ("LJMU") to provide high quality engineering training programmes for young, working professionals in Myanmar. The partnership enables a path towards a globally recognised engineering degree earned in Myanmar from lecturers with at least a master's degree or a PhD from a recognised awarding body.
- For 6M'23 Auston's revenue grew exponentially, up 544% YOY, to US\$0.9 million (6M'22: US\$0.1 million), due to 253% growth in enrolled student (583 students at 31 March 2023 vs. 165 at 31 March 2022). This has resulted in higher monthly average sales of ca. US\$0.3 million.
- At 31 March 2023, Auston's deferred revenues (current and long-term) amounted to ca. US\$1.5 million, up from US\$1.0 million at 30 September 2022, including US\$1.4 million to be realised as revenue in the next twelve months, up from US\$0.7 million at 30 September 2022.

Kids&Us

- The Group entered into exclusive franchising agreements with Kids&Us English, S.L.U ("Kids&Us") for the development of English language centres for children under the brand "Kids&Us School of English" in Myanmar and Vietnam on 25 April 2022 and 15 August 2022, respectively, for a period of ten years each.
- Kids&Us is the leading provider of English language education for children from age one. Founded in Manresa (Barcelona, Spain) in 2003, Kids&Us teaches annually over 150,000 students across more than 500 schools in nine countries, achieving a loyalty rate in excess of 90%.
- Under the terms of these agreements, the Group paid initial fees of US\$216,000 for Myanmar and Vietnam (EUR100,000 for each territory) and has committed to pay (i) ongoing service fees as a percentage of revenues, (ii) cumulative opening fees of EUR150,000 within four years from signing of the Vietnam franchising agreement, and (iii) didactic materials based on consumption, among other fees.
- Four Kids&Us centres opened between September 2022 and November 2022 in Ho Chi Minh City, Vietnam, with the flagship locations situated in prominent and prime locations to create brand awareness. The first centre in Myanmar was opened in June 2023. More centres are scheduled for the second half of calendar year 2023 in both Myanmar and Vietnam.

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- Revenues at Kids&Us Vietnam for 6M'23 amounted to US\$0.1 million serving over 200 students. At 31 March 2023, current deferred revenues were ca. US\$0.2 million.

Yangon American

- The Group owns and operates Yangon American International School (“Yangon American”) an International Baccalaureate Primary Years Programme (“IB PYP”) accredited and Myanmar Investment Commission-approved international school. Yangon American’s 3,000 sqm campus has a planned capacity of 400 students and its enrolment for the academic year 2022-2023 was 57 students (31 March 2022: 80 students).
- For 6M'23, Yangon American generated revenues of US\$0.4 million in line with 6M'22. Yangon American remains in a development phase having opened in the school year 2019-2020 ahead of COVID-19 and the Myanmar’s State of Emergency. Demand for international education remains strong as parents are in search for a quality education as a path for their children to study abroad.
- At 31 March 2023, Yangon American’s deferred revenues (current and long-term) amounted to ca. US\$0.3 million, down from US\$0.6 million at 30 September 2022, including US\$0.2 million to be realised as revenue in the next twelve months, down from US\$0.5 million at 30 September 2022. The decrease in deferred revenues is mainly due to the timeline of the school year which begins in early August (higher collection) and ends in early June (deferred revenues realised as revenues) of the following year.

Services

- Through its Services division, the Group is active in (i) owned security services (EXERA) and (ii) managed hospitality services (Ostello Bello).
- 6M'23 revenues from the owned services businesses amounted to US\$2.6 million vs. US\$3.0 for 6M'22. No revenues were contributed by the managed hospitality business.

EXERA

- EXERA is a provider of security and risk management services operating exclusively in Myanmar. As at 31 March 2023, EXERA employed an experienced workforce of over 1,400 (31 March 2022: 1,500) security officers and provides a range of integrated security, manned guarding, protective services, secured logistics and cash in transit, training, and nationwide risk consulting, to a wide range of international and local clients across ca. 200 sites (6M'22: 200).
- EXERA’s customer base includes multi-national corporations, large oil and gas companies, established local businesses, governmental bodies and international organisations and embassies. EXERA’s services are essential to the continued presence of these organisations in Myanmar throughout the current political and economic instability.
- EXERA’s 6M'23 revenues were US\$2.6 million down 13% YOY from US\$3.0 million for 6M'22 due to (i) the loss of contracts with certain customers which exited Myanmar due to a challenging political and economic environment, and (ii) the weakening of the Myanmar Kyat from an average of 1,855 per US\$ in FYE 2022 to 2,100 in 6M'23.
- The ability to continuously maintain and secure new high-profile customers is mainly due to EXERA’s competitive advantage as the only company in Myanmar with ISO 18788 Management System for Private Security Operations, ISO 9001, OHSAS 18000, and ANSI/ASIS PSC 1 accreditations. These accreditations are the hallmark of EXERA’s intent on delivering high-quality services for the benefit of our customers.
- At 31 March 2023, EXERA’s deferred revenues (current) to be realised as revenue in the next twelve months amounted to ca. US\$0.2 million in line with 30 September 2022.

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Ostello Bello

- Ostello Bello, comprises boutique hostels with ca. 300 beds and over 70 rooms in two locations across Bagan and Mandalay.
- Due to the adverse political situation in Myanmar, inbound tourism has become virtually non-existent. Accordingly, in December 2022, management ceased operations in one location in Bagan. The closure of this outlet does not have a material impact on the Group as the operations and management fees were already minimal.
- It is worth noting that through its boutique hostels, the Group provides livelihood for hundreds of individuals in developing communities such as Bagan. Management takes great pride and acknowledges its role as a responsible long-term investor in these communities. Furthermore, Ostello Bello Mandalay hosts teachers and security personnel, providing safe accommodation and flexibility to grow the headcount in Mandalay to enable expansion of the Group's Education operations.

New Business Development

- Asia Strategic continues to develop its business network and expand its presence within the Group's existing sectors while exploring new sectors. The Group is focused on expanding its educational offering by building a stronger presence on the ground in Vietnam whilst seeking new opportunities throughout emerging Asia to diversify the Group's geographical exposure.
- 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.

The Group's minority investments include, among others:

- A minority interest in Myanmar Investments International Limited ("MIL"), a Myanmar-focused investment company listed on the AIM market of the London Stock Exchange with investments in the telecommunications and financial sectors. At 31 March 2023, the quoted share price of MIL was US\$0.09 (31 March 2022: US\$0.27) per share and based on available information, the audited net asset value reported by MIL at 31 March 2023 was US\$8.7 million (31 March 2022: unaudited US\$13.2 million), equivalent to US\$0.23 (31 March 2022: US\$0.35) per share.

SIGNIFICANT EVENTS

a) Issuance of shares in lieu of bonus payments

Taking into consideration the recommendations of the Remuneration Committee of the Company, the Directors approved the payment of US\$0.2 million of annual bonuses to certain Group key management personnel with respect to the financial year ended 30 September 2022. These bonuses were satisfied through the issuance of 40,000 new ordinary shares in the Company at a price of US\$5.00 per share (being the closing bid price of the Company's ordinary shares as of 31 January 2023). Refer to Note 18 for further details.

b) Employee Share Options Scheme

On 6 February 2023, the Company granted 33,000 share options to a director of the Company under the Company's 2022 employee share option plan.

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MACROECONOMIC UPDATE

Vietnam macroeconomic highlights

- Vietnam achieved (i) a GDP growth rate of 8.0% in 2022, due in part to the low base effect post COVID-19 and (ii) a more modest growth of 3.3% in 1Q2023. The gross regional domestic product of the two largest cities, Ho Chi Minh City and Hanoi increased by 5.8% and 0.7%, respectively. The Asian Development Bank forecasts GDP growth of 6.5% for 2023 and 6.8% for 2024.
- According to Mirae Asset Securities Vietnam, to meet the full year GDP growth target of 6.5% set by the National Assembly, public investment is expected to be deployed in a strong and consistent manner. The Prime Minister set a government spending budget of VND707 trillion (US\$30 billion) in 2023.
- According to preliminary data from the General Statistics Office (“GSO”), trade activities reached US\$154.3 billion in the first quarter of 2023, of which exports were US\$79.2 billion (down 11.9% YOY) and imports registered US\$75.1 billion, resulting in a trade surplus of US\$4.1 billion. The United States is Vietnam’s largest export market, with an estimated turnover of US\$20.6 billion (down 22% YOY), followed by China at US\$11.5 billion (down 14% YOY). Meanwhile, China is Vietnam’s largest import market, with an estimated turnover of US\$23.6 billion (down 15% YOY).
- Over the longer term, Vietnam continues to be a prime destination in Southeast Asia for supply chain and manufacturing relocations by global manufacturers due to strong economic fundamentals and a favourable foreign investment environment. According to the GSO, total registered foreign direct investment in the first quarter of 2023 increased by 20% YOY, reaching US\$7.8 billion.

Myanmar macroeconomic highlights

- The World Bank’s Myanmar Economic Monitor forecasts 3.0% economic growth for the fiscal year ending September 2023. However, Myanmar’s economy is unlikely to yet reach pre-pandemic levels in the foreseeable future due to ongoing challenges such as exchange rate volatility, inflation, and low confidence.
- In April 2022, the Central Bank of Myanmar (“CBM”) introduced foreign exchange control measures, mandating the conversion of all foreign currency receipts into Myanmar Kyat (“MMK”) at a reference rate lower than the market rate. Between mid-April and late August 2022, the MMK depreciated 14% against the US Dollar (“USD”). The CBM then shifted the reference rate from 1,850 to 2,100 MMK-USD in August 2022. To alleviate market concerns, the CBM exempted certain entities from these measures. The CBM also permitted exporters to convert 65% of their earnings to MMK at the reference rate and sell the remaining 35% at market rates within one month of receipt. Additionally, the CBM allowed the use of Thai Baht (“THB”) and Renminbi (“RMB”) for trade-related payments, which further stabilized the USD exchange rate.
- According to S&P Global, in May 2023, Myanmar manufacturing Purchasing Manager’s Index (“PMI”), declined to 53.0% from the previous month’s record high of 57.4%, the softest expansion since February. This indicates a slower but still solid improvement in business conditions. This slight slowdown was driven by a weaker increase in new orders, leading to a less pronounced growth in output. Workforce numbers saw fractional expansion as companies hired additional employees to support production.
- The near-term economic outlook remains weak due to macroeconomic and regulatory uncertainties. The country’s growth prospects are further hampered by gloomy global economic conditions, inflationary pressures, and strained relationships with trading partners such as the United States and the European Union. However, with the reopening of China’s economy in 1Q23, expectations in trade flows and the manufacturing sector have improved.

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For the financial period from 1 October 2022 to 31 March 2023

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

"I am pleased to report that over the six-month financial period ended 31 March 2023, Asia Strategic Holdings has achieved significant growth in both revenue (+38% YOY) and gross profit margins (+106% YOY), while further strengthening its business foundations with the launch of Kids&Us in both Vietnam and Myanmar.

As the COVID-19 related restrictions have substantially ceased across ASEAN, the Group has experienced a strong rebound in its Education business, particularly in Myanmar, supported by pent-up demand and limited local availability of high-quality products. The total number of students enrolled with the Group rose 78% YOY to ca. 8,100, almost evenly split between Vietnam and Myanmar.

In 2022, the Group expanded its Education product portfolio with the partnership with Kids&Us and opened four schools in Ho Chi Minh City and one in Yangon, yielding ca. 300 students as of June 2023. Building on the initial commercial success, the Group plans additional openings during 2023.

On the other hand, the Services division experienced a 13% contraction in revenue driven by the exit of certain customers from Myanmar and the adverse FX impact. Management expects a rebound in monthly revenues in the second half of FY'23 driven by the successful negotiation of price increases in existing contracts and the acquisition of new high-profile customers.

While global inflation, supply chain shortages and local shocks may reduce disposable income and hinder discretionary spending, the Board believes that the Group is strategically positioned in sectors that will attract continued investments such as Education and that demonstrate less correlation to the broader economy such as Security services. In turn, this allows us to take a strategic view, pursue a long-term agenda and strengthen our foundations, confident in our capital structure.

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

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FINANCIAL REVIEW

- Group revenues from owned and managed businesses for 6M'23 were US\$11.5 million (+38% YOY) vs. US\$8.3 million for 6M'22 (+9% YOY).
- The double-digit revenue growth was a combination of (i) strong improvements across the Education businesses in Myanmar (+141% YOY), (ii) the recovery in Education in Vietnam (+22% YOY), leading towards the completion of WSE Vietnam's turnaround and supported by the opening of four new Kids&Us English language learning centres in late 2022, and (iii) the underperformance at EXERA (-13% YOY) due to the loss of certain customers due to the challenging political and economic environment.

		FPE 2023 Unaudited 6M'23 US\$	FPE 2022 Unaudited 6M'22 US\$	FPE 2021 Unaudited 6M'21 US\$	FYE 2022 Audited 12M'22 US\$	FYE 2021 Audited 12M'21 US\$
Owned businesses						
Education - Vietnam		4,055,667	3,312,986	4,014,274	7,391,025	7,479,035
- English language learning	WSE	3,971,580	3,312,986	4,014,274	7,391,025	7,479,035
- English language learning	Kids&Us	84,087	-	-	-	-
Education - Myanmar		4,741,070	1,790,716	553,681	4,485,240	1,331,422
- English language learning	WSE	3,356,148	1,248,184	218,079	3,204,937	734,606
- International school (K-12)	Yangon American	447,192	397,660	335,602	804,396	567,982
- Tertiary education	Auston	937,730	144,872	-	475,907	28,834
Education		8,796,737	5,103,702	4,567,955	11,876,265	8,810,457
Services	EXERA	2,642,785	3,025,078	2,707,920	5,794,603	5,664,019
Total owned businesses		11,439,522	8,128,780	7,275,875	17,670,868	14,474,476
Managed businesses						
Education (Legacy)- Myanmar		14,177	184,700	365,159	236,006	497,849
- English language learning	WSE	14,177	184,000	355,016	235,363	485,819
- Tertiary education	Auston	-	700	10,143	643	12,030
Services	Ostello Bello	-	-	6,857	-	13,712
Total managed businesses		14,177	184,700	372,016	236,006	511,561
Group Revenue		11,453,699	8,313,480	7,647,891	17,906,874	14,986,037

RESULTS OF OPERATIONS

- The Group's gross profit for 6M'23 was US\$6.6 million up 106% vs US\$3.2 million for 6M'22. The notable improvement in gross profit margin (57% for 6M'23 vs. 38% for 6M'22) was attributable to (i) the strong commercial performance, (ii) the shift to higher-margin products and (iii) the higher utilization of teachers and facilities thanks to the ramp-up in enrolled students.

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- The growth in Group revenue (+US\$3.1 million YOY) and gross profit (+US\$3.4 million YOY) was partially offset by the increase in foreign exchange loss (+US\$0.3 million YOY) and administrative and other operating expenses (+US\$2.8 million YOY). The latter rose primarily due to (i) higher marketing expenses, and (ii) an increase in personnel costs due to the expansion in the Education businesses and salary increments to mitigate the inflationary pressures affecting the Group's employees.
- The Group was close to Adjusted EBITDA break-even for 6M'23 vs. a US\$0.5 million loss for 6M'22. When adjusted for the impact of the right-of-use assets ("ROUs"), the Group's Adjusted EBITDA loss amounted to US\$1.8 million vs. a US\$2.2 million loss in 6M'22.

	FPE 2023 Unaudited 6M'23 US\$	FPE 2022 Unaudited 6M'22 US\$	FPE 2021 Unaudited 6M'21 US\$	FYE 2022 Audited 12M'22 US\$	FYE2021 Audited 12M'21 US\$
Revenue	11,453,699	8,313,480	7,647,891	17,906,874	14,986,037
Cost of services	(4,897,166)	(5,130,275)	(5,431,559)	(9,924,470)	(10,466,705)
Gross profit	6,556,533	3,183,205	2,216,332	7,982,404	4,519,332
<i>Gross profit margin</i>	<i>57%</i>	<i>38%</i>	<i>29%</i>	<i>45%</i>	<i>36%</i>
Other income	8,314	85,052	40,080	80,711	70,350
Foreign exchange (loss)/gain, net	(386,886)	(121,198)	-	(972,259)	767,833
Administrative and other operating expenses	(7,988,551)	(5,227,357)	(4,769,401)	(12,176,613)	(10,320,565)
Loss from operations	(1,810,590)	(2,080,298)	(2,512,989)	(5,085,757)	(4,963,050)
Finance cost	(442,146)	(432,306)	(449,630)	(862,678)	(999,992)
Loss before income tax	(2,252,736)	(2,512,604)	(2,962,619)	(5,948,435)	(5,963,042)
Income tax (expense)/credit	-	(82,520)	17,611	(33,646)	114,688
Loss for after income tax	(2,252,736)	(2,595,124)	(2,945,008)	(5,982,081)	(5,848,354)
Selected non-cash items:					
Total depreciation of plant and equipment	371,187	205,506	246,594	436,363	419,057
Total amortisation of right-of-use assets	1,382,345	1,350,354	1,331,375	2,694,870	2,560,875
Total amortisation of intangible assets	38,215	28,268	113,270	74,342	113,684
Impairment of trade and other receivables	(6,187)	18,421	103,207	15,453	1,004,384
Finance costs (excluding interest on lease liabilities)	44,887	65,342	93,945	115,890	243,547
Total interest on lease liabilities	398,454	372,105	355,685	754,370	756,445
Reversal of impairment of intangible assets	-	-	-	(30,000)	-
	2,228,901	2,039,996	2,244,076	4,061,288	5,097,992
Adjusted (loss)/earnings before interest, tax, depreciation, and amortisation ("EBITDA")	(23,835)	(472,608)	(718,543)	(1,887,147)	(865,050)
Adjusted EBITDA after impact of ROUs	(1,804,634)	(2,195,067)	(2,405,603)	(5,336,387)	(4,182,370)

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

FINANCIAL AND OPERATIONAL HIGHLIGHTS

For the financial period from 1 October 2022 to 31 March 2023

LIQUIDITY AND CAPITAL RESOURCES

- At 31 March 2023, the Group's cash and cash equivalents amounted to US\$1.4 million, compared to US\$2.0 million at 30 September 2022. The decrease of US\$0.6 million is primarily due to capital expenditures of US\$0.8 million and bank loan repayments of US\$0.1 million.
- The Group generated positive cash flows from operating activities of US\$1.6 million, an increase of US\$0.4 million vs 6M'22 (US\$1.2 million) mainly due to the increase in prepayments and deposits received from customers of US\$0.8 million (6M'22: increase of US\$3.0 million) as of 31 March 2023. If repayment of lease liabilities were considered, the Group generated cash from operating activities of US\$0.2 million (6M'22: cash outflows of US\$0.2 million).
- For 6M'23, the Group incurred capital expenditures of US\$0.8 million vs. US\$0.6 million for 6M'22 mainly for leasehold improvements related to the (i) opening of three Kids&Us Centres in Vietnam, (ii) additional centres for Wall Street English in Yangon and Auston in Mandalay, (iii) refurbishments at Wall Street English Vietnam, and (iv) a new dedicated and secured headquarter for EXERA.
- In December 2022, the interest-free bank loan of US\$0.1 million from a bank in Vietnam was repaid in full. The Group funded its capital expenditures and business expansion through effective cash management from its operating activities. No new shares nor convertible notes have been issued during the financial period.
- For 6M'22, the Group issued Convertible Notes which generated cash inflows of US\$3.2 million (excluding transaction costs) and were utilised for working capital and partial repayment of the shareholder loans and interest, totalling US\$1.8 million.

OTHER INFORMATION

At 31 March 2023, 97% of the total workforce (30 September 2022: 96%) were local employees in the countries in which the Group operates. All employees earn at least the local minimum wage and are provided cost of living allowances to weather global inflation and benefit from fair working conditions and shift patterns. Approximately 75% (30 September 2022: 72%) of the Group's workforce are female (excluding EXERA's male security officers).

Direct and indirect Full Time Employees ("FTEs")	<u>31-Mar-2023</u>	<u>31-Sep-2022</u>	<u>31-Mar-2022</u>
Male	121	127	100
Female	355	325	302
	<u>476</u>	<u>452</u>	<u>402</u>
Male (EXERA's security officers)	1,371	1,521	1,493
Total employees	<u>1,847</u>	<u>1,973</u>	<u>1,895</u>
Ratio of female representation (excluding EXERA's security officers)	75%	72%	75%

Direct and indirect FTE decreased to 1,847 (30 September 2022: 1,973) mainly due to the reduction in EXERA's security officers over the period.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 October 2022 to 31 March 2023

	Note	FPE 2023 US\$	FPE 2022 US\$
Revenue	4	11,453,699	8,313,480
Cost of services		(4,897,166)	(5,130,275)
Gross profit		6,556,533	3,183,205
Other income		8,314	85,052
Administrative and other operating expenses		(8,375,437)	(5,348,555)
Loss from operations		(1,810,590)	(2,080,298)
Finance cost	6	(442,146)	(432,306)
Loss before income tax	7	(2,252,736)	(2,512,604)
Income tax expense	8	-	(82,520)
Loss after income tax		(2,252,736)	(2,595,124)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference in translation of foreign operations		(19,959)	8,754
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of equity instruments at FVOCI	12	(80,774)	(71,800)
Other comprehensive income for the period, net of tax		(100,733)	(63,046)
Total comprehensive income		(2,353,469)	(2,658,170)
Loss for the period attributable to:			
Owners of the Company		(2,252,736)	(2,549,665)
Non-controlling interests		-	(45,459)
		(2,252,736)	(2,595,124)
Total comprehensive income attributable to:			
Owners of the Company		(2,353,469)	(2,612,711)
Non-controlling interests		-	(45,459)
		(2,353,469)	(2,658,170)
Loss per share attributable to the owners of the Company (US\$)			
- Basic and diluted (US\$)	21	(0.77)	(0.88)

The above condensed interim consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES
Company Registration No.: 201302159D
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Note	As at <u>31-Mar-2023</u> US\$	As at <u>30-Sep-2022</u> US\$
ASSETS			
Non-current assets			
Plant and equipment	9	2,364,727	2,032,390
Intangible assets	10	6,711,972	6,681,443
Right-of-use assets ("ROU")	11	10,105,062	11,275,139
Financial assets at FVOCI	12	76,288	157,062
Trade and other receivables	13	1,501,766	1,542,501
Total non-current assets		20,759,815	21,688,535
Current assets			
Inventories		184,509	165,891
Trade and other receivables	13	2,028,596	1,628,965
Cash and cash equivalents	14	1,353,782	1,980,232
Total current assets		3,566,887	3,775,088
Total assets		24,326,702	25,463,623
LIABILITIES AND EQUITY			
Liabilities			
Non-current liabilities			
Contract liabilities	4	747,006	1,872,423
Shareholder loans	15	1,544,877	1,500,000
Lease liabilities		8,156,086	9,142,979
Total non-current liabilities		10,447,969	12,515,402
Current liabilities			
Contract liabilities	4	9,816,410	8,093,625
Bank loans	16	–	115,530
Trade and other payables	17	4,674,597	3,636,898
Lease liabilities		2,243,574	1,961,444
Income tax payables		3,906	16,229
Total current liabilities		16,738,487	13,823,726
Total liabilities		27,186,456	26,339,128
Equity			
Share capital	18	21,639,638	21,439,638
Convertible notes	19	5,730,000	5,730,000
Accumulated losses		(30,477,593)	(28,224,857)
Other reserves		248,201	179,714
Equity attributable to owners of the Company		(2,859,754)	(875,505)
Non-controlling interests	20	–	–
Total equity		(2,859,754)	(875,505)
Total liabilities and equity		24,326,702	25,463,623

The above condensed interim consolidated statement of financial position should be read in conjunction with the accompanying notes.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 October 2022 to 31 March 2023

<u>Unaudited</u> 31 March 2023	Note	Share capital US\$	Convertible notes US\$	Equity reserves US\$	Share option reserve US\$	Fair value reserve US\$	Foreign exchange reserve US\$	Accumulated losses US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total equity US\$
Balance as at 1 October 2022		21,439,638	5,730,000	(212,271)	968,819	(605,692)	28,858	(28,224,857)	(875,505)	-	(875,505)
Total comprehensive income for the financial year:											
Loss for the financial period		-	-	-	-	-	-	(2,252,736)	(2,252,736)	-	(2,252,736)
Other comprehensive income		-	-	-	-	(80,774)	(19,959)	-	(100,733)	-	(100,733)
		-	-	-	-	(80,774)	(19,959)	(2,252,736)	(2,353,469)	-	(2,353,469)
Contribution by owners of the Company											
Issuance of shares in lieu of bonus	18	200,000	-	-	-	-	-	-	200,000	-	200,000
Recognition of share-based payments	5	-	-	-	169,220	-	-	-	169,220	-	169,220
		200,000	-	-	169,220	-	-	-	369,220	-	369,220
Balance as at 31 March 2023		<u>21,639,638</u>	<u>5,730,000</u>	<u>(212,271)</u>	<u>1,138,039</u>	<u>(686,466)</u>	<u>8,899</u>	<u>(30,477,593)</u>	<u>(2,859,754)</u>	<u>-</u>	<u>(2,859,754)</u>

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period from 1 October 2022 to 31 March 2023

<u>Unaudited</u> 31 March 2022	Note	Share capital US\$	Convertible notes US\$	Equity reserves US\$	Share option reserve US\$	Fair value reserve US\$	Foreign exchange reserve US\$	Accumulated losses US\$	Equity attributable to owners of the Company US\$	Non-controlling interests US\$	Total equity US\$
Balance as at 1 October 2021		20,799,638	-	(128,362)	774,102	(448,629)	(123,237)	(22,288,235)	(1,414,723)	(38,449)	(1,453,172)
Total comprehensive income for the financial year:											
Loss for the financial year		-	-	-	-	-	-	(2,549,665)	(2,549,665)	(45,459)	(2,595,124)
Other comprehensive income		-	-	-	-	(71,800)	8,754	-	(63,046)	-	(63,046)
		-	-	-	-	(71,800)	8,754	(2,549,665)	(2,612,711)	(45,459)	(2,658,170)
Contribution by owners of the Company											
Issuance of shares in lieu of bonus	18	640,000	-	-	-	-	-	-	640,000	-	640,000
Issuance of convertible notes	19	-	5,730,000	-	-	-	-	-	5,730,000	-	5,730,000
Recognition of share-based payments		-	-	-	71,726	-	-	-	71,726	-	71,726
		640,000	5,730,000	-	71,726	-	-	-	6,441,726	-	6,441,726
Changes in ownership interest in a subsidiary											
Acquisition of non-controlling interests	20	-	-	(83,909)	-	-	-	-	(83,909)	83,908	(1)
Balance as at 31 March 2022		21,439,638	5,730,000	(212,271)	845,828	(520,429)	(114,483)	(24,837,900)	(3,399,617)	-	(3,399,617)

The above condensed interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 October 2022 to 31 March 2023

	Note	FPE 2023 US\$	FPE 2022 US\$
Operating activities			
Loss before income tax		(2,252,736)	(2,512,604)
<i>Adjustments for:</i>			
Interest income		(2,456)	(1,355)
Plant and equipment written off		–	(100)
Intangible assets written off		–	3,011
Share-based compensation	5	169,220	71,726
Interest expense on lease liabilities	6, 7	398,454	372,105
Interest expense on loan from corporate shareholder	6	44,877	65,342
Lease concession	7	–	(80,745)
Amortisation of intangible assets	7	38,215	28,268
Depreciation of plant and equipment	9	371,187	205,506
Amortisation of right-of-use assets	11	1,382,345	1,350,354
Impairment loss on trade and other receivables	13	(6,187)	18,421
Transfer of plant and equipment to intangible assets		–	4,528
Unrealised exchange difference		33,695	79,815
Operating cash flows before working capital changes		176,614	(395,728)
<i>Working capital changes:</i>			
Trade and other receivables		(352,709)	(190,848)
Inventories		(18,618)	17,700
Contract liabilities		597,368	1,259,464
Trade and other payables		1,212,199	577,247
Cash flows provided from operations		1,614,854	1,267,835
Interest received		2,456	1,355
Income tax paid		(12,323)	(71,409)
Net cash provided from operating activities		1,604,987	1,197,781
Investing activities			
Purchase of plant and equipment	9	(758,528)	(594,169)
Advances to related parties		–	(423,813)
Purchase of intangible assets		–	(13,356)
Net cash flows used in investing activities		(758,528)	(1,031,338)

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES*Company Registration No.: 201302159D***CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS***For the financial period from 1 October 2022 to 31 March 2023*

	Note	FPE 2023 US\$	FPE 2022 US\$
Financing activities			
Repayment of shareholder loans	15	–	(1,500,000)
Interest paid on shareholder loans	15	–	(271,656)
(Repayment)/proceeds from bank loan	16	(115,530)	120,492
Proceeds from convertible notes	19	–	3,230,000
Principal payment for lease liabilities		(1,045,976)	(990,415)
Interest payment for lease liabilities		(332,664)	(372,105)
Fixed deposits pledged to bank		–	56,868
Acquisition of equity interest from non-controlling interests	20	–	(1)
Net cash (used in)/provided from financing activities		<u>(1,494,170)</u>	<u>273,183</u>
Net changes in cash and cash equivalents		(647,711)	439,626
Effect of exchange rate changes on cash and cash equivalents		21,261	(14,302)
Cash and cash equivalents at beginning of financial period		1,980,232	2,165,257
Cash and cash equivalents at end of financial period	14	<u>1,353,782</u>	<u>2,590,581</u>

The above condensed interim consolidated statement of cash flows should be read in conjunction with the accompanying notes.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial period from 1 October 2022 to 31 March 2023

1 CORPORATE INFORMATION

Asia Strategic Holdings Limited (the “Company” or “Asia Strategic”) (Registration Number 201302159D) is a public company limited by shares incorporated and domiciled in Singapore with its principal place of business and registered office at 80 Raffles Place #32-01, UOB Plaza, Singapore 048624. The Company’s ordinary shares are traded on the Main Market of the London Stock Exchange under the equity ticker ASIA.

The condensed interim consolidated financial statements as at and for the six-month financial period ended 31 March 2023 comprise the Company and its subsidiaries (collectively, the “Group”).

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

- a) Education – Operation of education businesses ranging from early years to tertiary education and including vocational training, consultancy, advisory and project management services in the education sector in Myanmar and Vietnam;
- b) Services – Provision of integrated services, consultancy, advisory and project management services in the security and hospitality sectors in Myanmar. This reportable segment has been formed by aggregating the relevant operating entities, which are regarded by management to exhibit similar economic characteristics; and
- c) Others – Corporate services, management support and certain shared services to subsidiaries of the Group. This segment includes the Group’s minor trading and investment holding activities which are not included in reportable segments as they are not separately reported to the chief operating decision maker.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker responsible for allocating resources and assessing the performance of the operating segments.

1.1 BASIS OF PREPARATION

The condensed interim consolidated statement of financial position of the Group as at 31 March 2023 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month financial period ended 31 March 2023 and the explanatory notes have not been audited by the Group’s Independent Auditors.

The condensed interim consolidated financial statements as at and for the financial period ended 31 March 2023 have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting as adopted by the European Union.

The condensed consolidated interim financial statements do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the annual report for the financial year ended 30 September 2022 which have been prepared 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. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements for the financial year ended 30 September 2022, which can be found on the Company’s website at www.asia-strategic.com.

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

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial period from 1 October 2022 to 31 March 2023

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial years except for the adoption of new and amended standards as set out below.

Changes in accounting policy

New or amended standards have become applicable for the current reporting period. The adoption of these new or amended standards did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or previous financial periods.

IFRSs issued but not yet effective

Certain new accounting standards and interpretations have been issued but are not yet effective for the current financial year ending 30 September 2023 and have not been adopted early by the Group. The Group expects that the adoption of these IFRSs, if applicable, will have no material impact on the financial statements in the period of initial application.

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. These estimates are based on management's best knowledge of current events and actions. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 September 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There have been no material revisions to the nature and estimates of amounts reported in prior periods, except those necessitated by the changing circumstances of Myanmar's State of Emergency.

3.1 SIGNIFICANT EVENTS AND SUBSEQUENT EVENTS

Myanmar's political and economic situation

Myanmar's political and economic situation is evolving daily. The outcome and long-term effects remain unclear at this stage. The business environment remains challenging due to (i) persistent electricity and telecommunication outages, (ii) frequent regulatory changes, (iii) stringent foreign exchange control measures, (iv) inflationary pressure, and (v) increased security risks.

Despite these uncertainties, the economic activity and the business environment in Myanmar experienced gradual improvement over the past quarters, particularly in the key urban cities where the Group operates such as Yangon and Mandalay. The Group continuously monitors and applies appropriate mitigating actions to ensure the Group's operations in Myanmar remain flexible and adaptable to the current market environment.

The Group remains focused on expanding its current operations in Vietnam which are expected to exceed Myanmar over time, however, the contribution from both markets remains an important diversification strategy to mitigate the overall geographical risk exposure of the Group.

The Group has considered the current market environment in the respective countries in which it operates as at the reporting date and notes that there are no indicators that warrant material adjustments to the key estimates and judgements on the recoverability of the assets as of 31 March 2023.

3.2 SEASONAL OPERATIONS

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period ended 31 March 2023.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial period from 1 October 2022 to 31 March 2023

4 REVENUE AND SEGMENT INFORMATION**Disaggregation of revenue**

Revenues are disaggregated below with the intention to depict how the nature, amount, and timing of revenue and cash flows are affected by economic factors.

	Education		Services		Total	
	FPE 2023	FPE 2022	FPE 2023	FPE 2022	FPE 2023	FPE 2022
	US\$	US\$	US\$	US\$	US\$	US\$
Rendering of services	-	-	2,642,785	3,025,078	2,642,785	3,025,078
Technical support services and new centre fees	14,177	193,625	-	-	14,177	193,625
Student fees	8,796,737	5,094,777	-	-	8,796,737	5,094,777
	<u>8,810,914</u>	<u>5,288,402</u>	<u>2,642,785</u>	<u>3,025,078</u>	<u>11,453,699</u>	<u>8,313,480</u>
<i>Timing of transfer of services</i>						
Point in time	1,732	7,167	88,299	143,997	90,031	151,164
Over time	8,809,182	5,281,235	2,554,486	2,881,081	11,363,668	8,162,316
	<u>8,810,914</u>	<u>5,288,402</u>	<u>2,642,785</u>	<u>3,025,078</u>	<u>11,453,699</u>	<u>8,313,480</u>

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial period from 1 October 2022 to 31 March 2023

The timing of revenue recognition affects the amount of revenue and deferred revenue (advances from customers) recognised as at the reporting date in the consolidated statement of financial position.

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
<u>Contract liabilities</u>		
Deferred revenue	10,563,416	9,966,048
<u>Analysed as:</u>		
Current	9,816,410	8,093,625
Non-current	747,006	1,872,423
	<u>10,563,416</u>	<u>9,966,048</u>

Significant changes in contract liabilities are as detailed below:

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
At beginning of financial period/year	9,966,048	5,892,090
Cash received in advance of performance and not recognised as revenue	9,448,646	16,213,749
Revenue recognised during the financial period/year:		
- On contract liabilities at beginning of financial period/year	(7,543,274)	(4,928,924)
- On cash received in advance during financial period/year	(1,348,021)	(7,027,948)
	(8,891,295)	(11,956,872)
Foreign exchange difference	40,017	(182,919)
At end of financial period/year	<u>10,563,416</u>	<u>9,966,048</u>

Remaining performance obligations

Deferred revenues reflect cash received in advance of performance which will be recognised according to the following:

- (i) The Group collected new centre fees in prior years for the Education businesses in advance of the performance obligations. Deferred revenue for new centre fees of US\$14,177 have been fully realised in the profit or loss during the financial period.
- (ii) Student fees for Education business segments are generally collected one to twelve months in advance (30-Sep-2022: same) and more than twelve months in advance for students who prepay in advance of performance, with reference to the individual terms of the student contracts. Deferred revenues from student fees are recognised over the duration of the respective courses and the remaining contract period ranging from one to 5.5 years (30-Sep-2022: one to six).
- (iii) Fees related to certain security services are collected six to twelve months (30-Sep-2022: same) in advance of performance and revenues are recognised with reference to the individual terms of the customer contracts.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES

Company Registration No.: 201302159D

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial period from 1 October 2022 to 31 March 2023

1 October 2022 to 31 March 2023 (FPE 2023)	Education US\$	Services US\$	Others US\$	Total US\$
Revenue	8,810,914	2,642,785	–	11,453,699
Cost of services	(2,937,114)*	(1,960,052)*	–	(4,897,166)
Gross profit	5,873,800	682,733	–	6,556,533
Other income	6,137	541	1,636	8,314
Foreign exchange loss, net	(308,308)	(42,782)	(35,796)	(386,886)
Administrative and other operating expenses	(6,621,871)	(708,584)	(658,096)**	(7,988,551)
Loss from operations	(1,050,242)	(68,092)	(692,256)	(1,810,590)
Finance cost	(383,633)	(13,626)	(44,887)	(442,146)
Segment loss	(1,433,875)	(81,718)	(737,143)	(2,252,736)
Income tax expense	–	–	–	–
Loss after income tax	(1,433,875)	(81,718)	(737,143)	(2,252,736)
Other non-cash items:				
Total depreciation of plant and equipment	354,545	16,451	191	371,187
Total amortisation of right-of-use asset	1,277,702	104,643	–	1,382,345
Total amortisation of intangible assets	38,048	167	–	38,215
Reversal of impairment of trade and other receivables	–	(6,187)	–	(6,187)
Finance costs (excluding interest on lease liabilities)	–	–	44,887	44,887
Total interest on lease liabilities	383,633	14,821	–	398,454
	2,053,928	129,895	45,078	2,228,901
Adjusted EBITDA	620,053	48,177	(692,065)	(23,835)
Adjusted EBITDA after impact of ROU	(1,041,282)	(71,287)	(692,065)	(1,804,634)
Reportable segment assets as at 31 March 2023	21,052,841	3,033,082	164,491	24,250,414
Investment in FVOCI	–	–	76,288	76,288
Total Group's assets				24,326,702
Included in the segment assets:				
Additions:				
Plant and equipment	730,235	28,293	–	758,528
Right-of-use assets	318,554	–	–	318,554
Reportable segment liabilities as at 31 March 2023	(24,516,359)	(875,886)	(1,794,211)	(27,186,456)

* Cost of services from "Education" and "Services" segments comprise mainly employee benefit expenses amounting to US\$1,475,452 and US\$1,705,451, respectively.

** Other operating expenses from the "Others" segment comprise mainly of employee benefit expenses of US\$410,978 (includes share-based payment of US\$169,220).

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1 October 2021 to 31 March 2022 (FPE 2022)	Education US\$	Services US\$	Others US\$	Total US\$
Revenue	5,288,402	3,025,078	–	8,313,480
Cost of services	(3,131,494)*	(1,998,781)*	–	(5,130,275)
Gross profit	2,156,908	1,026,297	–	3,183,205
Other income	79,981	341	4,730	85,052
Foreign exchange (loss)/gain, net	(151,501)	30,524	(221)	(121,198)
Administrative and other operating expenses	(4,075,422)	(616,637)	(535,298)**	(5,227,357)
(Loss)/profit from operations	(1,990,034)	440,525	(530,789)	(2,080,298)
Finance cost	(335,741)	(31,223)	(65,342)	(432,306)
Segment (loss)/profit	(2,325,775)	409,302	(596,131)	(2,512,604)
Income tax expense	–	(82,520)	–	(82,520)
(Loss)/profit after income tax	(2,325,775)	326,782	(596,131)	(2,595,124)
Other non-cash items:				
Total depreciation of plant and equipment	188,249	16,732	525	205,506
Total amortisation of right-of-use asset	1,238,017	112,337	–	1,350,354
Total amortisation of intangible assets	28,101	167	–	28,268
Impairment of trade and other receivables	–	18,421	–	18,421
Finance costs (excluding interest on lease liabilities)	–	–	65,342	65,342
Total interest on lease liabilities	335,741	36,364	–	372,105
	1,790,108	184,021	65,867	2,039,996
Adjusted EBITDA	(535,667)	593,323	(530,264)	(472,608)
Adjusted EBITDA after impact of ROU	(2,109,425)	444,622	(530,264)	(2,195,067)
Reportable segment assets as at 31 March 2022	20,964,082	2,376,447	392,262	23,732,791
Investment in FVOCI	–	–	242,325	242,325
Total Group's assets				23,975,116
Included in the segment assets:				
Additions:				
Plant and equipment	580,871	13,298	–	594,169
Right-of-use assets	1,425,137	–	–	1,425,137
Reportable segment liabilities as at 31 March 2022	(18,667,934)	(1,292,549)	(7,414,250)	(27,374,733)

* Cost of services from "Education" and "Services" segments comprise mainly of employee benefit expenses amounting to US\$1,874,606 and US\$1,747,784, respectively.

**Other operating expenses from the "Others" segment comprise mainly of employee benefit expenses of US\$300,355 (includes share-based payment of US\$71,726).

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Geographic information

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

Revenue	FPE 2023 US\$	FPE 2022 US\$
Vietnam	4,055,667	3,312,986
Myanmar	7,398,032	5,000,494
	<u>11,453,699</u>	<u>8,313,480</u>
	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
Segment non-current assets		
Vietnam	7,469,410	12,408,875
Myanmar	11,688,808	7,554,647
Singapore	23,543	25,450
	<u>19,181,761</u>	<u>19,988,972</u>

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

5 EMPLOYEE BENEFIT EXPENSES

	FPE 2023 US\$	FPE 2022 US\$
Wages, salaries and allowances*	6,547,802	5,254,191
Share-based compensation	169,220	71,726
Termination benefits	13,461	35,806
Staff insurance and medical expenses	145,412	125,750
Staff accommodation and welfare	162,910	145,367
Others	110,613	25,462
	<u>7,149,418</u>	<u>5,658,302</u>
Total employee benefit expenses:		
- Cost of services	3,180,903	3,622,390
- Administrative and other operating expenses	3,968,515	2,035,912
	<u>7,149,418</u>	<u>5,658,302</u>

*Included in these expenses are Director fees and remuneration.

6 FINANCE COST

	FPE 2023 US\$	FPE 2022 US\$
Interest expenses:		
- Lease liabilities	397,259	366,964
- Loan from a shareholder	44,887	65,342
	<u>442,146</u>	<u>432,306</u>

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7 LOSS BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the financial statements, the loss before income tax includes the following charges/(credits):

	FPE 2023 US\$	FPE 2022 US\$
<u>Cost of services</u>		
Academic expenses	812,060	567,799
Student enrolment and support fees	450,961	214,755
Expenses relating to student instalment plans	146,135	165,204
Depreciation expense	50,019	104,278
Security service expenses	116,050	81,276
Hotel related operating expenses	25,834	79,581
Amortisation of right-of-use assets	39,957	58,522
Amortisation of intangible assets	1,574	17,679
Interest on lease liabilities	1,195	5,141
Travelling and transportation expenses	69,147	53,205
<u>Administrative and other operating expenses:</u>		
Amortisation of right-of-use assets	1,342,388	1,291,832
Amortisation of intangible assets	36,641	10,589
Selling and marketing expenses	1,217,905	857,522
Professional fees	152,991	322,316
Depreciation expense	321,168	101,228
Lease expenses on:		
- Short term lease expense	146,614	124,525
- Lease concession ⁽¹⁾	(46,307)	(80,745)
Travelling and transportation expenses	152,991	81,296
Foreign exchange (loss)/gain, net	386,886	121,198

⁽¹⁾ The lease concession is related to additional discounts received from landlords (30-Sep-2022: due to the COVID-19 pandemic).

8 INCOME TAX EXPENSE

The corporate income tax rate applicable to the Company and its subsidiaries in Singapore is 17% (6M'22: 17%). The Group has significant operations in Myanmar and Vietnam, for which the applicable corporate income tax rates are 22% (6M'22: 25%) and 20% (6M'22: 20%), respectively.

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

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings of the respective entities. The material components of the income tax expense in the condensed interim consolidated statement of profit or loss are:

	FPE 2023 US\$	FPE 2022 US\$
Current income tax		
- Current year tax	-	(82,520)
- Under provision in respect of prior financial periods	-	-
Deferred income tax		
- current financial period	-	-
Total income tax credit recognised in profit or loss	-	(82,520)

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9 PLANT AND EQUIPMENT

The changes in the net carrying amount of plant and equipment are summarised below.

	FPE 2023 US\$	FPE 2022 US\$
Purchase of plant and equipment		
- Computers and books	298,098	125,122
- Furniture and fittings	65,816	14,663
- Leasehold improvements	207,787	2,921
- Construction-in-progress	186,827	451,463
	758,528	594,169
Depreciation for the financial period	<u>(371,187)</u>	<u>(205,506)</u>

Construction-in-progress mainly relates to leasehold improvements / renovations for the (i) opening of three Kids&Us centres in Vietnam, (ii) additional centres for Wall Street English and Auston in Myanmar, (iii) refurbishments at Wall Street English Vietnam, and (iv) a new corporate office for EXERA.

10 INTANGIBLE ASSETS

The carrying amounts of significant intangible assets allocated to the respective cash generating units ("CGU") which have been grouped to the following segments:

	Education				Services	
	Myanmar		Vietnam		Myanmar	
	31-Mar-23	30-Sep-22	31-Mar-23	30-Sep-22	31-Mar-23	30-Sep-22
	US\$	US\$	US\$	US\$	US\$	US\$
Goodwill	-	-	4,775,925	4,734,832	1,438,990	1,438,990
Area development and centre fees	222,265	195,798	241,797	256,355	-	-

As of the reporting date, there are no new additions to intangible assets except for the purchase of computer software licenses. Amortisation was US\$38,215 for 6M'23 vs. US\$28,268 for 6M'22.

11 RIGHTS-OF-USE ASSETS

The changes in the net carrying amount of rights-of-use assets are summarised below.

	FPE 2023 US\$	FPE 2022 US\$
Additions for the year	318,554	1,425,137
Amortisation for the six-month financial period	<u>(1,382,345)</u>	<u>(1,350,354)</u>

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES*Company Registration No.: 201302159D***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***For the financial period from 1 October 2022 to 31 March 2023***12 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVOCI”)**

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
At beginning of financial period/year	157,062	314,125
Fair value recognised in other comprehensive income	<u>(80,774)</u>	<u>(157,063)</u>
At end of financial period/year	<u>76,288</u>	<u>157,062</u>

Details of the investment are as follows:

Quoted equity instrument

- London Stock Exchange (AIM Market)	<u>76,288</u>	<u>157,062</u>
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The Group designated the investment as quoted equity security to be measured at fair value through other comprehensive income as at reporting date. The Group intends to hold this investment for long-term capital appreciation as well as strategic investment purposes.

The investment in a listed equity instrument has no fixed maturity date nor coupon rate. The fair value of the equity instrument is based on the quoted bid market price on the last trading day of the reporting period (Level 1). The FVOCI are denominated in United States dollar as at reporting date.

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13 TRADE AND OTHER RECEIVABLES

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
Current		
<u>Trade receivables</u>		
Third parties	623,037	663,789
Less: Loss allowances	(6,187)	(15,453)
Third parties, net	616,850	648,336
Accrued receivables	81,337	6,913
Total trade receivables	698,187	655,249
<u>Other receivables</u>		
Third parties ⁽ⁱⁱ⁾	-	280,327
Less: Loss allowances	-	(280,327)
	-	-
Rental deposits	56,725	77,619
Prepayments for enrolment and support fees	611,577	333,229
Sales tax	31,758	56,475
Advances and other prepayments	630,349	506,393
Total other receivables	1,330,409	973,716
Total trade and other receivables (current)	2,028,596	1,628,965
Non-current		
Related party (Note 23)		
- trade	-	1,042,614
- non-trade	5,435,151	4,256,996
Less: Loss allowances	(4,403,202)	(4,400,124)
	1,031,949	899,486
Rental deposits	439,819	545,296
Prepayments for enrolment and support fees	29,998	97,719
Total other receivables (non-current)	1,501,766	1,542,501
Total trade and other receivables	3,530,362	3,171,466
Less: Advances and prepayments	(1,271,924)	(937,341)
Less: Sales tax	(31,758)	(56,475)
Add: Cash and cash equivalents (Note 14)	1,353,782	1,980,232
Financial assets at amortised cost	3,580,462	4,157,882

Trade and other receivables

Trade receivables are non-interest bearing and are generally on 15 to 60 days credit terms (30-Sep-2022: 15 to 60). They are measured at the original invoice amount which represents their fair value on initial recognition.

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

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Expected credit loss allowances**i) Trade receivables – Third party**

In the previous financial year, a one-off loss allowance of US\$15,453 was made for a third-party trade debtor as the likelihood of recovery was remote. During 6M'23, a loss allowance reversal of US\$6,187 was recognised as the Group successfully recovered a portion of the long outstanding receivables.

ii) Other receivables – Third party

In the previous financial years, allowances for impairment of third-party receivables of US\$280,327 were made with respect to advances to the owners of the hostels under management as two of the hostels under management experienced continuous losses and recoverability is in doubt. These allowances were written off in full during 6M'23 as the Group ceased to operate these hostels.

iii) Other receivables - Related party (non-current)

At 31 March 2023, the total carrying amount of non-current trade and non-trade receivables due from a related party was US\$1,031,949 (30-Sep-2022: US\$899,486). These trade and non-trade related party receivables are payments made on behalf and advances for the managed operations of Wall Street English and Auston in Myanmar. The loss allowance was made based on the financial information of the related party and the expected repayment from the provision of property management services to the Group.

The amounts due from a related party were classified as non-current based on the expected settlement and recovery of the balances which falls more than twelve months after the end of the reporting period.

14 CASH AND CASH EQUIVALENTS AND FIXED DEPOSITS

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

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
Cash at bank	1,076,885	986,400
Cash at financial institutions	20,226	47,980
Cash on hand	256,671	945,852
Cash and cash equivalents	<u>1,353,782</u>	<u>1,980,232</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Cash and cash equivalents and fixed deposits are denominated in the following currencies:

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
United States Dollar	383,560	1,142,830
Myanmar Kyat	676,460	430,909
Vietnamese Dong	200,176	151,097
Singapore Dollar	90,396	209,294
Euro	3,190	46,102
	<u>1,353,782</u>	<u>1,980,232</u>

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15 SHAREHOLDER LOANS (UNSECURED)

Below are the changes to shareholder loan balances (interest and principal) arising from financing activities:

	As at 1-Oct-2022 US\$	Drawdown of loan US\$	Repayment of loans US\$	Non-cash changes		As at 31-Mar-2023 US\$
				Subscription of convertible notes US\$	Interest expense US\$	
Facility 1	1,500,000	–	–	–	44,877	1,544,877

	As at 1 Oct-2021 US\$	Drawdown of loan US\$	Repayment of loans US\$	Non-cash changes		As at 30-Sep-2022 US\$
				Subscription of convertible notes US\$	Interest expense US\$	
Facility 1	3,151,576	250,000	(2,004,725)	–	103,149	1,500,000
Facility 2	2,591,971	–	(104,712)	(2,500,000)	12,741	–
	5,743,547	250,000	(2,109,437)	(2,500,000)	115,890	1,500,000

(a) Loan Facility 1

On 1 July 2019, the Group secured a loan facility up to US\$3.0 million with its largest corporate shareholder, Macan Pte Ltd (“MACAN”) (“Loan Facility 1”). The Group has drawn down US\$1.7 million as at the date of this report (US\$1.5 million as at 31 March 2023).

(b) Loan Facility 2

On 23 March 2020, MACAN granted the Group an additional loan facility of up to US\$4.0 million (“Loan Facility 2”).

On 20 October 2021, the Company entered into a loan re-organisation with MACAN for the following:

- i) Subscribed to US\$3.5 million Zero Coupon Convertible Notes (Note 19) of the Company satisfied through cash consideration of US\$1.0 million and the conversion of Macan’s Loan Facility 2 amounting to US\$2.5 million; and
- ii) Terminated the Loan Facility 2 agreement with effect from 31 October 2021 subsequent to the repayment of all accrued interest under Loan Facility 2 on 31 October 2021.

These Loan Facilities bear semi-annual interest at 6% (30-Sep-2022: 6%) per annum and are repayable on demand in full with all accrued interest, in any case no later than 30 June 2024. As at reporting date, MACAN has indicated that it will not demand repayment within the next twelve months from the approval date (30 January 2023) of the Group audited financial statements for the financial year ended 30 September 2022.

16 BANK LOAN (UNSECURED)

On 25 January 2022, the Group secured a short-term interest free bank loan from the Vietnam Bank for Social Policies amounting to US\$115,530. The loan was denominated in Vietnamese Dong, repayable eleven months from the date of disbursement of the loan with any overdue balance bearing interest of 12% per annum. The loan was repaid in full in December 2022.

ASIA STRATEGIC HOLDINGS LIMITED AND ITS SUBSIDIARIES*Company Registration No.: 201302159D***NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS***For the financial period from 1 October 2022 to 31 March 2023***17 TRADE AND OTHER PAYABLES**

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
<u>Trade payables</u>		
Third parties	747,776	940,798
Accrued enrolment expenses	166,472	116,103
Total trade payables	<u>914,248</u>	<u>1,056,901</u>
<u>Other payables</u>		
Third parties	511,096	59,162
Accruals for suppliers, wages, others	1,525,103	1,742,902
Advances and deposits from customers	1,680,829	735,513
Sales tax	43,321	42,420
Total other payables	<u>3,760,349</u>	<u>2,579,997</u>
Total trade and other payables	4,674,597	3,636,898
Add: Lease liabilities	10,399,660	11,104,423
Add: Shareholder loans (Note 15)	1,544,877	1,500,000
Add: Bank loans (Note 16)	-	115,530
Less: Sales tax	(43,321)	(42,420)
Financial liabilities carried at amortised cost	<u>16,575,813</u>	<u>16,314,431</u>

Trade amounts due to third parties are unsecured, non-interest bearing and are on 15 to 45 day credit terms (30-Sep-2022: 15 to 45).

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

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18 SHARE CAPITAL

	As at 31-Mar-2023	As at 30-Sep-2022	As at 31-Mar-2023	As at 30-Sep-2022
	Number of shares		US\$	
Issued and fully paid ordinary shares:				
At beginning of financial period/year	2,925,920	2,845,920	21,439,638	20,799,638
Shares issued during the financial period/year	40,000	80,000	200,000	640,000
At end of financial period/year	2,965,920	2,925,920	21,639,638	21,439,638

On 13 December 2021, the Company issued 80,000 ordinary shares at US\$8.00 per share (being the closing bid price of the Company's ordinary shares as at date of issuance) in lieu of payment for accrued employee bonuses of US\$640,000. The accrued employee bonuses are with respect to employment services rendered for the financial year ended 30 September 2021.

In the current financial period, on 1 February 2023, the Company issued 40,000 ordinary shares at US\$5.00 per share (being the closing bid price of the Company's ordinary shares at 31 January 2023) in lieu of payment for accrued employee bonuses of US\$200,000. The accrued employee bonuses are with respect to employment services rendered for the financial year ended 30 September 2022.

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.

The Company did not declare any dividends during 6M'23 nor the preceding financial year ended 30 September 2022.

19 CONVERTIBLE NOTES

	As at 31-Mar-2023 US\$	As at 30-Sep-2022 US\$
At beginning of financial period/year	5,730,000	-
Issued and paid during the financial period/year:		
- Cash	-	3,230,000
- Shareholder loans (Note 15)	-	2,500,000
At end of financial period/year	5,730,000	5,730,000

The Group launched a Convertible Notes Programme to raise up to US\$10 million for working capital and future investments. The convertible notes ("CN") holders had an option to subscribe to either (i) a 10% coupon ("10% Coupon Convertible Notes") or (ii) a zero-coupon ("Zero Coupon Convertible Notes"). The proceeds from the convertible notes were limited to 50% for activities in Myanmar and rank pari passu to all present and future unsecured obligations.

The CNs are mandatorily convertible at the date falling on the earlier of the maturity date (30 October 2024) or when the Qualifying Event is satisfied ("Conversion Date"). On the Conversion Date, the CNs are converted based on the stipulated conversion price and are paid in full to the note holders (interest and principal) through the issuance of ordinary shares of the Company.

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Convertible notes were issued on 1 November 2021 and the Group's existing shareholders have subscribed US\$5,730,000 comprising:

- i) Zero-Coupon Convertible Notes of US\$5.23 million (including subscription by MACAN amounting to US\$3.5 million, of which US\$1.0 million was in cash and the rest was from conversion of a loan from MACAN, as detailed in Note 15 of the financial statements); and
- ii) 10% Coupon Convertible Notes amounting to US\$0.5 million.

Both the Zero-Coupon and 10% Coupon Convertible Notes met the established criteria and the entire amount was recognised within equity. The convertible notes are denominated in United States dollars.

The salient features of the convertible notes are as follows:

Type	Zero-Coupon Convertible Notes	10% Coupon Convertible Notes
Maturity	30 October 2024	30 October 2024
Coupon	Zero-coupon	10% annually
Conversion price	The higher of: (i) the Floor Subscription Price; and (ii) the Discounted Subscription Price.	The higher of: (i) US\$15.00 per Share; and (ii) 90% of the subscription price per Share for a Qualifying Event
Discount	Between 2.0% and 20.5% based on conversion schedule	10% vs. subscription price for a Qualifying Event
Floor conversion price	US\$11.9 per share (based on the maximum discount listed above)	US\$15.0 per share
Conversion date	The date falling on the earlier of: (i) the Maturity Date; and (ii) the Qualifying Event.	The date falling on the earlier of: (i) the Maturity Date; and (ii) the Qualifying Event.
Qualifying event	Share issuance in excess of US\$5 million	Share issuance in excess of US\$5 million
Use of proceeds	Development of business Working capital	Development of business Working capital
Limitation to use of proceeds	Max. 50% of the proceeds for activities in Myanmar	Max. 50% of the proceeds for activities in Myanmar
Rank	Pari passu to all present and future unsecured obligations	Pari passu to all present and future unsecured obligations

20 NON-CONTROLLING INTERESTS

On 7 February 2022, the Company acquired 3,000 ordinary shares from the non-controlling interest of MS Auston Pte. Ltd. for a cash consideration of US\$1.00. The carrying value of the net liabilities of the subsidiary company, MS Auston Pte Ltd as at the date of acquisition was US\$279,693 and the carrying value of the additional equity interest of 30% acquired was US\$83,908. The difference of US\$83,909 between the consideration and the carrying value of additional interest acquired resulted in a premium paid on acquisition of non-controlling interests recognised directly in equity reserve.

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21 LOSS PER SHARE

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

	FPE 2023	FPE 2022
<u>Numerator</u>		
Loss for the financial period attributable to the owners of the parent (US\$)	(2,252,736)	(2,549,665)
<u>Denominator</u>		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	2,939,035	2,895,319
Loss per share (US\$)		
Basic and diluted	(0.77)	(0.88)

In the current and previous financial period, diluted loss per share is the same as the basic loss per share because the dilutive potential arising from ordinary shares to be exercised are anti-dilutive as the effect of the shares' conversion would be to decrease the loss per share. Accordingly, the dilutive effect arising from the dilutive share options and full conversion of convertible notes into ordinary shares are not considered.

22 COMMITMENTS

As at the reporting date, commitments in respect of capital expenditures are as detailed below:

	FPE 2023 US\$	FPE 2022 US\$
Capital expenditures contracted but not provided for:		
- Property, plant and equipment	353,000	115,000

23 SIGNIFICANT RELATED PARTY TRANSACTIONS

For 6M'23, 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:

	FPE 2023 US\$	FPE 2022 US\$
With related parties*:		
- Management fees	14,177	63,881
- Technical support service fees	-	120,820
With a Director of the subsidiaries:		
- Professional fees	21,000	54,000

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the financial period from 1 October 2022 to 31 March 2023

24 FAIR VALUE MEASUREMENT

Financial instruments and measurements

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, current trade and other receivables (excluding advances, prepayments, sales tax, amounts due from a related party), long term rental deposits and trade and other payables. Due to their short-term nature, the carrying amount of these current financial assets and financial liabilities measured at amortised costs approximate their fair values.

The carrying amount of the non-current loans due to a shareholder approximates their fair value as the fixed interest rate approximates market interest rates for such liabilities.

The non-current receivables due from a related party (Note 13) amounting to US\$1,031,949 (30-Sep-2022: US\$899,486) have an estimated fair value of US\$1,031,949 (30-Sep-2022: US\$899,486) and are measured according to Level 2 of the fair valuation hierarchy. The fair value of the amount due from a related party is determined based on the discounted cash flow method, taking into consideration the estimated duration required for the related party to repay and the market interest rate used for discounting to present value.

The carrying amount of non-current receivables and non-current rental deposits approximates their fair value due to insignificant effects of discounting.

Financial instruments measured at fair value

The financial instruments, as disclosed in Note 12 to the financial statements included in Level 1 of the fair value hierarchy, are traded in active markets and their fair value is based on quoted market prices at the reporting date.

There were no transfers between levels during the financial period.

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