PT Waka Oberoi Indonesia

Financial statements as of March 31, 2021 and for the year then ended with independent auditors' report

PT WAKA OBEROI INDONESIA
FINANCIAL STATEMENTS
AS OF MARCH 31, 2021
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

Table of Contents

****

PT WAKA OBEROI INDONESIA

REPORT OF THE DIRECTORS

We present the report and the audited financial statements of PT Waka Oberoi Indonesia (the"Company") for the year ended March 31, 2021.

Principal activity
The principal activity of the Company is hotel ownership and management.

Results
The Company's financial position and results of operations as of and for the year ended March 31, 2021 are set out in the financial statements on pages 1 to 5 preceded by the independent auditors' report.

Statement of directors' responsibilities in respect of the financial statements

We are responsible for the preparation and the presentation of the financial statements, and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We are also responsible for the Company's internal control systems and safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements of the Company, we are required to:
- select suitable accounting policies and then apply them consistently;
- prepare and present the financial statements in accordance with Indonesian Financial Accounting Standards;
- make judgments and estimates that are reasonable and prudent;

We confirm that we have complied with the above requirements in preparing the financial statements and all information contained in the financial statements are complete and correct. The financial statements do not contain or omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, April 26, 2021
On behalf of the Board of Directors

METERAI TEMPEL
ATDBAJX153855180

I Wayan Pasek
President Director

PT. WAKA OBEROI INDONESIA
THE OBEROI, LOMBOK

Corespondence address : The Oberoi, Bali PO. Box 3351, Denpasar, 80361, bali
Telephone : (62-361) 730361 Ext. 200, Facsimile : (62-361) 735841

EY
Building a better working world

Purwantono, Sungkoro & Surja

Indonesia Stock Exchange Building
Tower 2, 7th Floor
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190, Indonesia

Tel : +62 21 5289 5000
Fax: +62 21 5289 4100
ey.com/id

Independent Auditors' Report

Report No. 00655/2.1032/AU.1/10/1175-6/1/IV/2021

The Stockholders and Boards of Commissioners and Directors
PT Waka Oberoi Indonesia

We have audited the accompanying financial statements of PT Waka Oberoi Indonesia, which comprise the statement of financial position as of March 31, 2021, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Building a better working world

Independent Auditors' Report (continued)

Report No. 00655/2.1032/AU.1/10/1175-6/1/IV/2021 (continued)

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Waka Oberoi Indonesia as of March 31, 2021, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

Our audit was conducted for the purpose of forming an opinion on the basic Indonesian rupiah financial statements taken as a whole. The translations of the Indonesian rupiah amounts into United States dollar have been made on the basis set forth in Note 2n to the financial statements and are presented for purposes of additional analysis only and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion thereon.

Purwantono, Sungkoro & Surja

Tjoa Tjek Nien, CPA
Public Accountant Registration No. AP.1175

April 26, 2021

PT WAKA OBEROI INDONESIA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2021
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Notes	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	2c, 2o,4, 24,25	1,138,740,376	1,712,599,189	78,146	104,637
Trade receivables – net	2o, 5, 24, 25	-	285,216,213	-	17,426
Inventories	2e,6	1,055,159,131	1,049,030,581	72,410	64,094
Prepayments and advances	2f,7	1,659,678,943	2,118,525,019	113,895	129,439
Other current financial assets	2o,24,25	28,873,592	26,268,485	1,981	1,605
TOTAL CURRENT ASSETS		**3,882,452,042**	**5,191,639,487**	**266,432**	**317,201**
NON-CURRENT ASSETS					
Fixed assets - net	2g,8	52,534,935,164	56,042,186,357	3,605,197	3,424,095
Tax amnesty assets - net	2m,11d	104,866,667	181,866,667	7,196	11,112
Other non-current financial assets	2o, 24, 25	126,615,000	126,615,000	8,690	7,736
Deferred Tax Assets	2m,11c	3,510,649,556	-	240,917	-
TOTAL NON-CURRENT ASSETS		**56,277,066,387**	**56,350,668,024**	**3,862,000**	**3,442,943**
TOTAL ASSETS		**60,159,518,429**	**61,542,307,511**	**4,128,432**	**3,760,144**
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	2o, 9, 24, 25	261,375,898	607,281,753	17,937	37,104
Other payables	2o, 10, 24, 25				
Third parties		314,954,975	1,007,373,539	21,614	61,549
Related party	13	-	1,513,538,325	-	92,475
Taxes payable	2m,11a	175,962,886	393,496,844	12,075	24,042
Accrued expenses	2o,12, 25	2,991,159,328	3,760,447,056	205,268	229,758
Due to related parties	2d,2o, 13, 24, 25	24,947,818,173	30,816,108,440	1,712,038	1,882,819
Reserve for replacement of furniture, fixtures and equipment	2i,14	7,681,618,077	7,777,372,077	527,149	475,186
Other current financial liabilities	2o,15, 24, 25	722,420,128	1,820,231,244	49,576	111,214
TOTAL CURRENT LIABILITIES		**37,095,309,465**	**47,695,849,278**	**2,545,657**	**2,914,147**
NON-CURRENT LIABILITY					
Employee benefits liability	2j,16	4,343,771,288	5,036,745,145	298,090	307,738
Deferred tax liability	2m, 11c	-	42,047,811	-	2,569
TOTAL NON-CURRENT LIABILITIES		**4,343,771,288**	**5,078,792,956**	**298,090**	**310,307**
TOTAL LIABILITIES		**41,439,080,753**	**52,774,642,234**	**2,843,747**	**3,224,454**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF FINANCIAL POSITION (continued)
As of March 31, 2021
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Notes	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
EQUITY					
Capital stock A series - Rp180,000 par value Authorized, issued and fully paid - 129,385 shares	17	23,289,300,000	23,289,300,000	11,450,000	11,450,000
Capital stock B series - Rp750,000 par value Authorized, issued and fully paid - 461,359 shares	17	346,019,250,000	346,019,250,000	26,016,500	26,016,500
Additional paid-in capital	2m,11d	385,000,000	385,000,000	28,902	28,902
Other comprehensive loss					
Re-measurement loss on long-term employee benefits liability		(996,287,315)	(959,717,169)	(77,078)	(74,568)
Translation adjustment	2n	-	-	(6,176,022)	(6,449,227)
Deficit		(349,976,825,009)	(359,966,167,554)	(29,957,617)	(30,435,917)
NET EQUITY		**18,720,437,676**	**8,767,665,277**	**1,284,685**	**535,690**
TOTAL LIABILITIES AND EQUITY		**60,159,518,429**	**61,542,307,511**	**4,128,432**	**3,760,144**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
Year Ended March 31, 2021
(Expressed in Rupiah, unless otherwise stated,
with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	2021	2020	2021	2020
DEPARTMENTAL REVENUES	2k,18				
Rooms		-	12,033,662,151	-	855,220
Food and beverages		-	6,257,348,210	-	444,745
Other operating departments		-	1,015,318,325	-	72,159
Others		-	1,127,610,440	-	81,239
Total Departmental Revenues		-	20,433,939,126	-	1,453,363
COST OF GOODS SOLD AND SERVICES	2k,19	**2,825,127,808**	**12,582,481,444**	**194,883**	**892,959**
GROSS PROFIT (LOSS)		**(2,825,127,808)**	**7,851,457,682**	**(194,883)**	**560,404**
HOTEL OPERATING EXPENSES	2k				
General and administrative expenses	20	1,955,905,014	4,763,078,264	135,516	337,915
Property operations, maintenance and energy expenses	21	1,669,896,425	6,772,261,754	115,372	480,625
Marketing expenses	22,26	367,768,336	2,964,760,042	25,711	210,316
Other income	23	(378,323,027)	-	(26,574)	-
Total Hotel Operating Expenses		3,615,246,748	14,500,100,060	250,025	1,028,856
HOTEL GROSS OPERATING LOSS		**(6,440,374,556)**	**(6,648,642,378)**	**(444,908)**	**(468,452)**
OWNER'S OPERATING INCOME (EXPENSES)	2k				
Depreciation	8,11d	(4,543,586,194)	(4,331,247,872)	(313,304)	(303,768)
Foreign exchange gain (loss) - net	2n	2,841,308,755	(3,476,113,501)	-	-
Insurance		(1,317,786,012)	(1,640,146,811)	(96,051)	(116,516)
Professional fees		(904,200,000)	(1,183,304,936)	(62,346)	(82,503)
Salaries and wages		(400,064,634)	(755,652,295)	(27,492)	(53,285)
Taxes		(1,986,181)	(178,495,919)	(131)	(12,582)
Finance income		71,724	757,763	5	54
Other operating income - net	8	17,213,576,932	7,576,262,847	1,182,791	551,195
Owner's Operating Income (Loss)- Net		**12,887,334,390**	**(3,987,940,724)**	**683,472**	**(17,405)**
INCOME (LOSS) BEFORE INCOME TAX EXPENSE		**6,446,959,834**	**(10,636,583,102)**	**238,564**	**(485,857)**
Income tax benefit (expense)	2m,11b	3,542,382,711	(42,047,811)	239,736	(2,569)
INCOME (LOSS) FOR THE YEAR		**9,989,342,545**	**(10,678,630,913)**	**478,300**	**(488,426)**
OTHER COMPREHENSIVE INCOME (LOSS)					
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods: Re-measurement income (loss) on long-term employment benefits liability - net of tax		(36,570,146)	182,859,942	(2,510)	11,172
Other comprehensive loss to be reclassified to profit or loss in subsequent periods: Translation adjustment		-	-	273,205	(339,444)
NET COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**9,952,772,399**	**(10,495,770,971)**	**748,995**	**(816,698)**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF CHANGES IN EQUITY
Year Ended March 31, 2021
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah				
	Note	**Capital Stock**	**in Capital**	**Other Loss**	**Deficit**	**Net Equity**
Balance as of March 31, 2019		**369,308,550,000**	**385,000,000**	**(1,142,577,111)**	**(349,287,536,641)**	**19,263,436,248**
Loss for the year		-	-	-	(10,678,630,913)	(10,678,630,913)
Re-measurement income on long-term employee benefits liability	16	-	-	182,859,942	-	182,859,942
Balance as of March 31, 2020		**369,308,550,000**	**385,000,000**	**(959,717,169)**	**(359,966,167,554)**	**8,767,665,277**
Income for the year		-	-	-	9,989,342,545	9,989,342,545
Re-measurement loss on long-term employee benefits liability - net	16	-	-	(36,570,146)	-	(36,570,146)
Balance as of March 31, 2021		**369,308,550,000**	**385,000,000**	**(996,287,315)**	**(349,976,925,009)**	**18,720,437,676**

	Translations into U,S, Dollar - Unaudited (Note 2n)						
					Other Comprehensive Loss		
	Capital Stock (Note 17)	**Additional Paid in Capital**	**Deficit**	**Other Comprehensive Loss (Note 16)**	**Translation Adjustment (Note 2n)**	**Total**	**Net Equity**
Balance as of March 31, 2019	**37,466,500**	**28,902**	**(29,947,491)**	**(85,740)**	**(6,109,783)**	**(6,195,523)**	**1,352,388**
Loss for the year	-	-	(488,426)	-	-	-	(488,426)
Re-measurement loss on long-term employee benefits liability	-	-	-	11,172	-	11,172	11,172
Translation adjustment	-	-	-	-	(339,444)	(339,444)	(339,444)
Balance as of March 31, 2020	**37,466,500**	**28,902**	**(30,435,917)**	**(74,568)**	**(6,449,227)**	**(6,523,795)**	**535,690**
Income for the year	-	-	478,300	-	-	-	478,300
Re-measurement income on long-term employee benefits liability - net	-	-	-	(2,510)	-	(2,510)	(2,510)
Translation adjustment	-	-	-	-	273,205	273,205	273,205
Balance as of March 31, 2021	**37,466,500**	**28,902**	**(29,957,617)**	**(77,078)**	**(6,176,022)**	**(6,253,100)**	**1,284,685**

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

PT WAKA OBEROI INDONESIA
STATEMENT OF CASH FLOWS
Year Ended March 31, 2021
(Expressed in Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	**2021**	**2020**	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES					
Income (loss) before income tax		6,446,959,834	(10,636,583,102)	238,564	(485,857)
Adjustments to reconcile income before income tax for the year to net cash provided by operating activities:					
Depreciation	8,11d	4,543,586,194	4,331,247,872	313,304	303,766
Provision for replacement of furniture, fixtures and equipment	14	-	613,018,174	-	43,600
Provision for employee benefits net of benefit payments	16	(739,858,659)	596,901,346	(50,773)	36,470
Unrealized loss (gain) on foreign exchange		(2,841,308,755)	3,476,113,501	-	-
Provision for (reversal of) impairment of trade receivables	5	(53,690,730)	14,385,940	(3,280)	1,080
Changes in operating asset and liabilities:					
Trade receivables		338,906,943	(142,295,828)	17,426	(8,694)
Inventories		(6,128,550)	(33,445,012)	(8,316)	(2,043)
Prepayments and advances		458,846,076	(230,154,357)	15,544	(14,062)
Other current financial assets		(2,605,107)	4,132,751	(376)	253
Trade payables		(345,905,855)	406,924,671	(19,167)	24,863
Other payables		(2,205,956,889)	723,615,826	(132,410)	44,212
Accrued expenses		(927,372,391)	(1,348,040,776)	(76,083)	(82,363)
Taxes payable		(217,533,958)	(1,077,897,045)	(11,967)	(65,858)
Other current liabilities		(1,097,811,116)	(522,864,064)	(61,638)	(31,946)
Net Cash Flows Provided by (Used in) Operating Activities		**3,350,127,037**	**(3,824,940,103)**	**220,828**	**(236,579)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	8, 28	(959,335,001)	(9,477,168,620)	(69,952)	(679,892)
Utilization of reserve for replacement of furniture, fixtures and equipment	14	(95,754,000)	(804,144,591)	(6,586)	(56,843)
Total Cash Used in Investing Activities		**(1,055,089,001)**	**(10,281,313,211)**	**(76,538)**	**(736,735)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Net receipts (settlement) of funds from related parties	13, 29	**(2,872,992,003)**	**12,602,495,938**	**(170,781)**	**870,181**
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		**(577,953,967)**	**(1,503,757,376)**	**(26,491)**	**(103,133)**
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**4,095,154**	**256,878,080**	**-**	**-**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	1,712,599,189	2,959,478,485	104,637	207,770
CASH ON HAND AND IN BANKS AT END OF YEAR	4	**1,138,740,376**	**1,712,599,189**	**78,146**	**104,637**

Information on non-cash activities are disclosed in Note 28.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

1. GENERAL

PT Waka Oberoi Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 1 of 1967 as amended by Law No. 11 of 1970 based on notarial deed No. 225 dated November 26, 1992 of Siti Pertiwi Henny Shidki, S.H. The deed of establishment was approved by the Ministry of Justice in its decision letter No. C2-1631.HT.01.01.TH.93 dated March 13, 1993 and was published in Supplement No. 2313 of State Gazette No. 42 dated May 25, 1993.

According to Article 3 of the Company's articles of association, the Company's scope of activities mainly consists of establishing, developing, operating and managing resort hotels. The Company is domiciled in North Lombok Regency, West Nusa Tenggara and owns The Oberoi Lombok Hotel (the "Hotel") located in West Nusa Tenggara, which started commercial operations in April 1997. On March 19, 2019, EIH Management Services B.V assigned EIH Holdings Ltd. to manage the hotel operations up to year 2034 with option to extend for 20 years.

The composition of the Company's Boards of Commissioners and Directors as of March 31, 2021 and 2020 are as follows:

	2021	2020
<u>Board of Commissioners</u>		
President Commissioner	: Sudarshan Rao	Sudarshan Rao
Commissioner	: Ida Bagus Gede Yudana	Ida Bagus Gede Yudana
<u>Board of Directors</u>		
President Director	: I Wayan Pasek	I Wayan Pasek
Director	: I Ketut Siandana	I Ketut Siandana
Director	: Deepak Madhok	Deepak Madhok

The Company employed a total of 98 and 110 permanent employees as of March 31, 2021 and 2020, respectively (unaudited).

On August 5, 2018, an earthquake occurred in Lombok damaging the hotel properties. In effect, the Company temporarily stopped its operations. The Company resumed operations on June 15, 2019. In March 2020, Indonesia was hit by novel corona virus disease 2019 (COVID-19) and the Company has since closed the operations. As of completion of the Company's financial statements, the Company's hotel operations have not yet reopened.

The management of the Company is responsible for the preparation and presentation of the accompanying financial statements that were completed and authorized for issuance by the Board of Directors on April 26, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Financial Statements

The financial statements have been prepared and presented in accordance with Indonesia Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations of Financial Accounting Standards ("ISAK") issued by the Indonesia Financial Accounting Standards Board ("DSAK") of the Indonesian Institute of Accountants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of Preparation of the Financial Statements (continued)

Except for the statement of cash flows, the financial statements have been prepared on the accrual concept, using the historical cost concept of accounting, except for certain accounts which are measured on the bases described in the related accounting policies for those accounts.

The statement of cash flows presents cash receipts and payments of cash on hand and in banks classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The Company's functional currency is the Indonesian rupiah, which is also the currency used in the preparation of the financial statements, with translations into the United States dollar.

b. Current and non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

i) expected to be realized or intended to be sold or consumed in the normal operating cycle,
ii) held primarily for the purpose of trading,
iii) expected to be realized within 12 months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

i) expected to be settled in the normal operating cycle,
ii) held primarily for the purpose of trading,
iii) due to be settled within twelve months after the reporting period, or
iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of the equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c. Cash on Hand and in Banks

Cash on hand and in banks, in the statement of financial position comprise cash on hand and in banks which are not restricted to use, and which are subject to an insignificant risk of changes in value.

d. Transactions with Related Parties

The Company has transactions with certain parties which have related party relationships as defined under PSAK 7, "Related Party Disclosures".

The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those for transactions with unrelated parties.

All significant transactions and balances with related parties are disclosed in the relevant notes to the financial statements. Unless specifically identified as related parties, the parties disclosed in the Notes to the financial statements are unrelated parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Inventories

Inventories are valued at the lower of cost or net realizable value. Except for boutique inventories (which use the First-In First Out method), the cost is determined using the weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Allowance for decline in market value and obsolescence of inventories, if any, is provided to reduce the carrying value of inventories to their net realizable values based on the review of the market value and physical condition of the inventories.

f. Prepayments

Prepayments are amortized and charged to operations over the periods benefited using the straight- line method. The portion to be amortized within one year is presented as part of current assets, otherwise, as non-current assets.

g. Fixed Assets

Fixed assets, except land which is stated at cost and not depreciated, are stated at cost less accumulated depreciation and impairment loss, if any. The cost of fixed assets includes: (a) purchase price, (b) any costs directly attributable to bringing the asset to its present location and condition, and (c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, if any. Each part of an item of fixed assets with a cost that is significant in relation to the total cost of the item should be depreciated separately.

When significant renewals and betterments are performed, their costs are recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are charged directly to current operations.

Depreciation commences once the assets are available for their intended use and is computed using the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Buildings	20
Structures and improvements	10
Machinery and equipment	8
Furniture, fixtures and equipment	5
Motor vehicles	5

Land is stated at cost and is not depreciated. The costs incurred in order to acquire legal rights over land in the form of “Hak Guna Usaha” (HGU), “Hak Guna Bangunan” (HGB) or “Hak Pakai” (HP) upon initial acquisition of land are recognized as part of the acquisition cost of the land and are not amortized.

Construction in progress represents the accumulated cost of materials and other costs related to the asset under construction. The accumulated cost will be reclassified to the appropriate fixed asset account when the construction is completed and the constructed asset is ready for its intended use.

The carrying amount of an item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to current operations in the period when the asset is derecognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Impairment of Non-financial Assets

The Company assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of the asset's or its cash-generating unit's (CGU's) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income as "impairment losses". In assessing the value in use, the estimated net 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 no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the asset. These calculations are corroborated by valuation multiples or other available fair value indicators.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses of continuing operations, if any, are recognized in the statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income. After such a reversal, the depreciation charged on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

i. Provisions and Contingencies

A provision is recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed.

Contingent liabilities are not recognized in the financial statement but are disclosed in the notes to the financial statements unless the outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Employee Benefits Liability

Short-term employee benefits

The Company recognizes short-term employee benefits liability when services are rendered and the compensation for such services are to be paid within twelve months after rendering such services. The liability is presented as part of "Accrued expenses" in the statement of financial position.

Post-employment benefits

Effective February 2, 2021, the Company applied the Government Regulation Number 35 Year 2021 (PP 35/2021), implementing the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja) in its determination of the employee benefits liability.

The Company previously recognizes its unfunded employee benefits liability in accordance with Labor Law No. 13/2003 dated March 25, 2003 (the "Law") and PSAK 24 (Revised 2013), "Employee Benefits".

Pension costs under the Company's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate and annual rate of increase in compensation.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding the amounts included in the net interest on the net defined benefit liability and the return on plan assets (excluding the amounts, included in net interest on the net defined benefit liability) are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss at the earlier between:
i) the date of the plan amendment or curtailment, and
ii) the date the Company recognizes related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation under "Cost of Goods Sold and Services" and "General and Administrative Expenses" as appropriate in the statement profit or loss and other comprehensive income:
i) Service costs comprising current service costs, past-service costs, gains or losses on curtailments and non-routine settlements, and
ii) Net interest expense or income

k. Revenue and Expense Recognition

The Company early adopted PSAK 72 "Revenue from Contract with Customers". PSAK 72 supersedes IAS PSAK 23, Revenue, and related interpretations and it applies with limited exceptions, to all revenue arising from contracts with its customers. PSAK 72 establishes a five-step model to account for revenue arising from contract with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

PSAK 72 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Revenue and Expense Recognition (continued)

The Company adopted PSAK 72 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts that are not completed as of April 1, 2019. The cumulative effect of initially applying PSAK 72 is recognized at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under PSAK 23 and related Interpretations.
However, there is no impact to the Company's financial statements in adopting PSAK 72. Thus, there is no adjustment to the opening balance of the retained earnings, as well as, additional disclosures as required under PSAK 72.

Hotel room revenue is recognized based on room occupancy while other hotel revenues are recognized when the goods are delivered or the services are rendered to the customers.

Expenses are recognized when they are incurred.

l. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the average buying and selling rates of exchange published by Bank Indonesia at the last banking transaction date of the year. The resulting gains or losses are credited or charged to current operations.

As of March 31, 2021 and 2020, the rates of exchange used were Rp14,572 and Rp16,367, respectively, to US$1.

m. Taxation

<u>Current tax</u>

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority.

Current tax expense is determined based on the taxable profit for the year computed using the prevailing tax rates.

Underpayment/overpayment of income tax are presented as part of "Income tax expense" in the statement of profit or loss and other comprehensive income. Interests and penalties are presented as part of other operating income or expenses since they are not considered as part of the income tax expense.

Amendments to tax obligations are recorded when a tax assessment letter is received or, if appealed against, when the result of the appeal is determined.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Taxation (continued)

Deferred tax

Deferred tax assets and liabilities are recognized using the liability method for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases at each reporting date. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable profit will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax assets to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current period operations, except to the extent that they relate to items previously charged or credited to equity.

Deferred tax assets and liabilities are offset in the statement of financial position, except if they are for different legal entities, consistent with the presentation of current tax assets and liabilities.

Value added tax (“VAT”)

Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the Tax Office, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of VAT included.

Final Tax

Tax regulation in Indonesia determined that certain taxable income is subject to final tax. Final tax applied to the gross value of transactions is applied even when the parties carrying the transaction are recognizing losses.

Referring to revised PSAK 46 as mentioned above, final tax is no longer governed by PSAK 46. Therefore, the Company has decided to present all of the final tax arising from interest income as separate line item.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Taxation (continued)

Change in Tax Rates

On March 31, 2020, the Government issued a Government Regulation in lieu of the Law of the Republic of Indonesia Number 1 Year 2020 which stipulates, among others, reduction to the tax rates for corporate income tax payers and permanent establishments entities from previously 25% to become 22% for fiscal years 2020 and 2021 and 20% starting fiscal year 2022 and onwards, and further reduction of 3% for corporate income tax payers that fulfill certain criteria. The new tax rates are used as reference to measure the current and deferred tax assets and liabilities starting from the enactment date of the new regulation on March 31, 2020.

Tax amnesty

On 19 September 2016, the Indonesia Financial Accounting Standards Board (DSAK IAI) issued PSAK 70, “Accounting for tax amnesty assets and liabilities”.

This PSAK provides accounting policy choice for the entity to account the asset and liabilities in accordance with the provision of Tax Amnesty Law. The alternative accounting options are:
- To use the existing applicable standard under SAK.
- To use the specific provision in PSAK 70.

Management decided to use the specific provision in PSAK 70. According to specific provision of PSAK 70, tax amnesty assets are measured at the amount reported in the Tax Amnesty Approval Letter (“SKPP”), while tax amnesty liabilities are measured at the amount of cash or cash equivalents that will settle the contractual obligation related to the acquisition of the tax amnesty assets. The redemption money (the amount of tax paid in accordance with Tax Amnesty law) shall be charged directly to profit or loss in the period when the SKPP was received.

Any difference between amounts initially recognized for the tax amnesty assets and the related tax amnesty liabilities shall be recorded in equity as Additional Paid-In Capital (“APIC”). The APIC shall not be reclassified to retained earnings or recycled to profit or loss subsequently.

n. Translations of Indonesian Rupiah Amounts into United States (U.S.) Dollar

The financial statements are stated in Indonesian rupiah, the currency of the country in which the Company operates. The translations of Indonesian rupiah amounts into U.S. dollar were made at the following rates:

Assets and liabilities	-	Middle rate as of reporting date (Rp14,572 to US$1 and Rp16,367 to US$1 as last quoted by Bank Indonesia as of March 31, 2021 and 2020, respectively).
Capital stock	-	Historical rates
Revenue and expense accounts	-	Transaction date exchange rates

The resulting difference arising from the translations of the statement of financial position and statement of profit or loss and other comprehensive income accounts is presented as “Translation adjustment” under the equity section of the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Effective beginning April 1, 2020

i. Financial Assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under PSAK 72.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables, other current financial assets and other non-current financial assets.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company has no financial assets at fair value through OCI (debt instruments).

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PSAK 50: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has no financial assets designated at fair value through OCI (equity investments).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss and other comprehensive income.

The Company has no financial assets at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or,
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, other payables, accrued expenses, loan payable, due to related parties, and other current financial liabilities.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

ii. Financial Liabilities (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by PSAK 71. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in PSAK 71 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

Effective prior to April 1, 2020

i. Financial Assets

Initial recognition

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at the end of each reporting period. Financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way purchases) are recognized on the trade date, i.e., the date that the buyers or sellers commit to purchase or sell the assets.

As of March 31, 2020, the Company's financial assets include cash on hand and in banks, trade receivables - net, other current and non-current financial assets. The Company has determined that all of these financial assets are classified as loans and receivables.

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

ii. Financial liabilities

Initial recognition

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities measured at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognized initially at fair value and in the case of financial liabilities measured at amortized cost, include directly attributable transaction costs.

As of March 31, 2020, the Company's financial liabilities include trade payables, other payables, accrued expenses, loan payable, due to related parties, and other current financial liabilities. The Company has determined that all of these financial liabilities are classified as loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortization process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

iii. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

iv. Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting year. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transaction, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

Credit risk adjustment

The Company adjusts the price in the more advantageous market to reflect any differences in counterparty credit risk between instruments traded in that market and the ones being valued for financial asset positions. In determining the fair value of financial liability positions, the Company's own credit risk associated with the instrument is taken into account.

v. Amortized cost of financial instruments

Amortized cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

vi. Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. For loans and receivables carried at amortized cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

vi. Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced through the use of an allowance for impairment account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the financial asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance for impairment account. If a future write-off is later recovered, the recovery is recognized in the statement of profit or loss and other comprehensive income.

vii. Derecognition of financial assets and liabilities

Financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Adoption of Amendments and Improvements to PSAK

The Company has adopted several amendments and improvements to PSAK and new ISAK that are mandatory for application effective April 1, 2020. The adoption of the following amendments and improvements to PSAK and new ISAK did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial periods:

<u>PSAK 71: Financial Instruments</u>

PSAK 71: Financial Instruments replaces PSAK 55: Financial Instruments: Recognition and Measurements for annual periods beginning on or after April 1, 2020, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has not restated corresponding information for 2020 for financial instruments in the scope of PSAK 71. Therefore, the corresponding information for 2020 is reported under PSAK 55 and is not comparable with the information presented for 2021. Differences, if any, arising from the adoption of PSAK 71 have been recognized directly in retained earnings as of April 1, 2020.

(a) Classification and Measurement

Under PSAK 71, debt instruments are subsequently measured at fair value through profit or loss, amortized costs, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest (SPPI)" on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, April 1, 2020. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of PSAK 71 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under PSAK 55. The following are the changes in the classification of the Company's financial assets:

- Trade receivables, other current financial assets and other noncurrent financial assets classified as Loans and receivables as at March 31, 2021 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortized cost beginning April 1, 2020.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Adoption of Amendments and Improvements to PSAK (continued)

PSAK 71: Financial Instruments (Continued)

(a) Classification and Measurement (Continued)

In summary, upon the adoption of PSAK 71, the Company had the following required or elected reclassifications as at April 1, 2020:

	PSAK 71 measurement category		
	Fair value through profit or loss	Amortized Cost	Fair Value through OCI
PSAK 55 measurement category			
Loans and receivables:			
Trade receivables	Rp -	Rp285,216,213	Rp -
Other current financial assets	Rp -	Rp26,268,485	Rp -
Other non-current financial assets	Rp -	Rp126,615,000	Rp -

(b) Impairment

The adoption of PSAK 71 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing PSAK 55's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PSAK 71 requires the Company to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

The assessment of the Company's business model was made as of the date of initial application, April 1, 2020. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Upon adoption of PSAK 71, the Company has determined that this has no significant impact on the financial statements.

(c) Hedge Accounting

Under PSAK 55, all gains and losses arising from the Company's cash flow hedging relationships were eligible to be subsequently reclassified to profit or loss. However, under PSAK 71, gains and losses arising on cash flow hedges of forecast purchases of non-financial assets need to be incorporated into the initial carrying amounts of the non-financial assets. This change only applies prospectively from the date of initial application of PSAK 71 and has no impact on the statement of financial position as at April 1, 2020.

Amendments to PSAK 71: Prepayment Features with Negative Compensation

Under PSAK 71, a debt instrument can be measured at amortized cost or at fair value through OCI, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PSAK 71 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Adoption of Amendments and Improvements to PSAK (continued)

Amendments to PSAK 24: Employee Benefits - Plan Amendment, Curtailment or Settlement. Amendments to PSAK 1 and PSAK 25 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Amendments to PSAK 1: Presentation of Financial Statements on the title of financial statements

The amendments to PSAK 1 are several paragraphs in PSAK 1: Presentation of Financial Statements which were not previously adopted from IAS 1 Presentation of Financial Statements to be adopted. This amendment opens an option that allows entities to use report titles other than those used in PSAK 1. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

ISAK 36: Interpretation of the Interaction between Provisions regarding Land Rights in PSAK 16: Fixed Assets and PSAK 73: Leases

ISAK 36 provides confirmation of the intentions and considerations of the DSAK covered in the Basis for Conclusion PSAK 73 paragraphs DK02-DK10 regarding the accounting treatment of land rights secondary.

In general, ISAK 36 regulates: (1) valuation in determining the accounting treatment related to a land right that looks at the substance of the land right and not its legal form; (2) accounting treatment related to land rights in accordance with PSAK 16, namely if a contractual provision provides rights that in substance resemble the purchase of fixed assets, including the provisions in paragraph 58 of PSAK 16 which stipulates that in general, land is not depreciated; and (3) accounting treatment related to the right to land in accordance with PSAK 73 that is, if the substance of a right to land does not shift control over the underlying asset and only gives the right to use the underlying asset for a period of time, then the substance of the right to the land is a lease transaction.

This ISAK had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the standard setters in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Judgments

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

<u>Determination of Functional Currency</u>

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Indonesian rupiah. The Indonesian rupiah is the currency of the primary economic environment in which the Company operates and the currency that mainly influences revenue, costs and expenses.

<u>Classification of Financial Assets and Financial Liabilities</u>

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55.

Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2o.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

<u>Provision for expected credit losses of trade receivables and other current financial assets (Effective beginning April 1, 2020)</u>

The Company uses a provision matrix to calculate ECLs for trade receivables and other current financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

Provision for expected credit losses of trade receivables and other current financial assets (Effective beginning April 1, 2020) (continued)

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.

Allowance for Impairment of Receivables (Effective prior to April 1, 2020)

The Company evaluates impairment losses of receivables based on percentages applied to an aging of total outstanding trade receivables and specific account identification when there is objective evidence that certain customers are unable to meet their financial obligations.

In the case of specific account identification, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third-party credit reports and known market factors, to record specific allowances for customers against amounts due to reduce the receivable amounts that the Company expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amount of the allowance for impairment of trade receivables.

Estimation of Employee Benefits Liability

The determination of the Company's employee benefits expense and employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include discount rates, future annual salary increases, annual employee turnover rate, disability rate, retirement age and mortality rate. While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experience or significant changes in the assumptions may materially affect the retirement expenses and defined benefit obligations.

Depreciation of Fixed Assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 5 to 20 years. These are common life expectancies applied in the industry where the Company conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets and, therefore, future depreciation charges could be revised. The net carrying amounts of the Company's fixed assets as of March 31, 2021 and 2020 amounted to Rp52,534,935,164 and Rp56,042,186,357, respectively. Further details are disclosed in Note 8.

Income Tax

Significant judgment is involved in determining the provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and Assumptions (continued)

Determination of Fair Values of Financial Assets and Liabilities

When the fair value of financial assets and financial liabilities recorded or presented in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value.

The judgment includes consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The fair values of the Company's financial assets and liabilities are disclosed in Note 24 to the financial statements.

4. CASH ON HAND AND IN BANKS

Cash on hand and in banks consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Cash on hand				
Rupiah	79,500,000	79,500,001	5,456	4,857
Cash in banks				
Rupiah				
PT Bank Negara Indonesia (Persero) Tbk	489,720,559	518,480,839	33,607	31,678
PT Bank Central Asia	8,787,609	1,000,000	603	61
PT Bank Mandiri (Persero) Tbk	1,405,731	41,945,428	96	2,563
PT Bank Maybank	112,544	112,544	8	7
Sub-total	500,026,443	561,538,811	34,314	34,309
U.S. dollar				
PT Bank Negara Indonesia (Persero) Tbk	533,028,448	1,040,825,106	36,579	63,593
PT Bank Internasional Indonesia	26,185,485	30,735,271	1,797	1,878
Sub-total	559,213,933	1,071,560,377	38,376	65,471
Total	**1,138,740,376**	**1,712,599,189**	**78,146**	**104,637**

Interest income from cash in banks amounting to Rp71,724 and Rp757,763 for the years ended March 31, 2021 and 2020, respectively, is presented as part of "Finance income" in the statement of profit or loss and other comprehensive income. As of March 31, 2021 and 2020, none of the Company's cash on hand and in banks are restricted in use or used as collateral.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

5. TRADE RECEIVABLES - NET

Trade receivables - net consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
City ledger	-	338,906,943	-	20,706
Less allowance for impairment	-	(53,690,730)	-	(3,280)
Net	**-**	**285,216,213**	**-**	**17,426**

City ledger represents receivable from travel agents, banks related to credit card payments and H2O Sports for the facilities used in the hotel.

The aging analysis of these receivables is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Current	-	280,179,304	-	17,119
Past due				
1- 30 days	-	55,443,386	-	3,386
31- 60 days	-	3,284,253	-	201
Over 60 days	-	-	-	-
Total	-	338,906,943	-	20,706
Less allowance expected credit losses as of March 31, 2021 (2020: allowance for impairment)	-	(53,690,730)	-	(3,280)
Net	**-**	**285,216,213**	**-**	**17,426**

The movements in the allowance for impairment as of March 31, 2020 are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Balance at beginning of year	53,690,730	39,304,790	3,280	2,759
Provisions during the year	-	20,433,939	-	1,450
Reversals during the year	(53,690,730)	(6,047,999)	(3,280)	(370)
Translation adjustment	-	-	-	(559)
Balance at end of year	**-**	**53,690,730**	**-**	**3,280**

Based on the review of the status of the individual trade receivables at the end of the reporting period, management believes that the above allowance for impairment of trade receivables as of March 31, 2020 is sufficient to cover losses from impairment of such receivables.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

6. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Materials and supplies	671,244,033	570,673,722	46,064	34,867
Beverages	269,854,160	293,469,045	18,519	17,931
Boutique	60,091,662	60,091,662	4,124	3,672
Food	53,169,367	122,919,180	3,649	7,510
Tobacco	799,909	1,876,972	54	114
Total	**1,055,159,131**	**1,049,030,581**	**72,410**	**64,094**

The Company's inventories as of March 31, 2021 and 2020 are stated at cost. Management believes that no allowance for losses is necessary on the inventories as of March 31, 2021 and 2020 since the inventories are fully usable.

7. PREPAYMENTS AND ADVANCES

Prepayments and advances consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Prepaid insurance	1,202,578,164	1,121,389,946	82,527	68,515
Advance purchases	368,264,327	896,291,564	25,272	54,762
Prepaid others	88,836,452	100,843,509	6,096	6,162
Total	**1,659,678,943**	**2,118,525,019**	**113,895**	**129,439**

8. FIXED ASSETS - NET

The details of fixed assets - net are as follows:

	Year Ended March 31, 2021				
	Indonesian Rupiah				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	73,155,467,982	944,845,001	-	284,844,998	74,385,157,981
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,751,224,243	-	-	-	11,751,224,243
Furniture, fixtures and equipment	16,154,110,036	14,490,000	-	-	16,168,600,036
Motor vehicles	1,477,743,500	-	-	-	1,477,743,500
Construction in progress	284,844,998	-	-	(284,844,998)	-
Total Cost	113,453,641,182	959,335,001	-	-	114,412,976,183
Accumulated Depreciation					
Buildings	30,225,412,841	2,401,942,079	-	-	32,627,354,920
Structures and improvements	5,021,773,153	42,929,530	-	-	5,064,702,683
Machinery and equipment	8,710,786,610	615,458,495	-	-	9,326,245,105
Furniture, fixtures and equipment	12,300,921,642	1,291,237,340	-	-	13,592,158,982
Motor vehicles	1,152,560,579	115,018,750	-	-	1,267,579,329
Total Accumulated Depreciation	57,411,454,825	4,466,586,194	-	-	61,878,041,019
Net Book Value	**56,042,186,357**				**52,534,935,164**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

8. FIXED ASSETS - NET (continued)

	Year Ended March 31, 2020				
	Indonesian Rupiah				
	Beginning Balance	Additions	Deductions	Reclassification	Ending Balance
Cost					
Land	5,470,511,683	-	-	-	5,470,511,683
Buildings	57,968,017,572	7,001,195,257	-	8,186,255,153	73,155,467,982
Structures and improvements	5,159,738,740	-	-	-	5,159,738,740
Machinery and equipment	11,191,024,243	560,200,000	-	-	11,751,224,243
Furniture, fixtures and equipment	15,711,356,720	442,753,316	-	-	16,154,110,036
Motor vehicles	1,222,543,500	255,200,000	-	-	1,477,743,500
Construction in progress	6,599,131,609	1,871,968,542	-	(8,186,255,153)	284,844,998
Total Cost	103,322,324,067	10,131,317,115	-	-	113,453,641,182
Accumulated Depreciation					
Buildings	28,200,746,227	2,024,666,614	-	-	30,225,412,841
Structures and improvements	4,978,843,624	42,929,529	-	-	5,021,773,153
Machinery and equipment	8,112,903,269	597,883,341	-	-	8,710,786,610
Furniture, fixtures and equipment	10,857,779,920	1,443,141,722	-	-	12,300,921,642
Motor vehicles	1,006,933,913	145,626,666	-	-	1,152,560,579
Total Accumulated Depreciation	53,157,206,953	4,254,247,872	-	-	57,411,454,825
Net Book Value	**50,165,117,114**				**56,042,186,357**

	Year Ended March 31, 2021					
	Translations into U.S. Dollar - Unaudited (Note 2n)					
	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	334,240	-	-	-	41,173	375,413
Buildings	4,469,693	68,924	-	17,400	548,647	5,104,664
Structures and improvements	315,253	-	-	-	38,832	354,085
Machinery and equipment	717,983	-	-	-	88,442	806,425
Furniture, fixtures and equipment	986,991	1,028	-	-	121,547	1,109,566
Motor vehicles	90,288	-	-	-	11,122	101,410
Construction in progress	17,400	-	-	(17,400)	-	-
Total Cost	6,931,848	69,952	-	-	849,763	7,851,563
Accumulated Depreciation						
Buildings	1,846,728	165,627	-	-	226,694	2,239,049
Structures and improvements	306,823	2,960	-	-	37,781	347,564
Machinery and equipment	532,216	42,439	-	-	65,354	640,009
Furniture, fixtures and equipment	751,567	89,038	-	-	92,152	932,757
Motor vehicles	70,419	7,931	-	-	8,637	86,987
Total Accumulated Depreciation	3,507,753	307,995	-	-	430,618	4,246,366
Net Book Value	**3,424,095**					**3,605,197**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

8. FIXED ASSETS - NET (continued)

	Year Ended March 31, 2020					
	Translations into U.S. Dollar - Unaudited (Note 2n)					
	Beginning Balance	Additions	Deductions	Reclassification	Translation Adjustment	Ending Balance
Cost						
Land	384,057	-	-	-	(49,817)	334,240
Buildings	4,069,645	497,093	-	576,088	(673,133)	4,469,693
Structures and improvements	362,239	-	-	-	(46,986)	315,253
Machinery and equipment	785,666	39,927	-	-	(107,610)	717,983
Furniture, fixtures and equipment	1,103,016	31,242	-	-	(147,267)	986,991
Motor vehicles	85,830	18,208	-	-	(13,750)	90,288
Construction in progress	463,291	133,390	-	(576,088)	(3,193)	17,400
Total Cost	7,253,744	719,860	-	-	(1,041,756)	6,931,848
Accumulated Depreciation						
Buildings	1,979,833	141,999	-	-	(275,104)	1,846,728
Structures and improvements	349,540	3,011	-	-	(45,728)	306,823
Machinery and equipment	569,566	41,932	-	-	(79,282)	532,216
Furniture, fixtures and equipment	762,271	101,213	-	-	(111,917)	751,567
Motor vehicles	70,692	10,214	-	-	(10,487)	70,419
Total Accumulated Depreciation	3,731,902	298,369	-	-	(522,518)	3,507,753
Net Book Value	**3,521,842**					**3,424,095**

The Company’s land properties are covered by landrights ownership or Hak Guna Bangunan (HGB) certificate No.2 which is valid up to 2024. The management believes that the said titles of land right ownership that will expire from 2021 to 2024 can be renewed/extended.

Depreciation charged to operations amounted to Rp4,466,586,194 and Rp4,254,247,872 for the years ended March 31, 2021 and 2020, respectively. The Company’s fixed assets and inventories are covered by insurance against losses from fire and other risks under blanket policies with total coverage amounting to US$28,650,000 (Rp417,487,800,000) and US$28,650,000 (Rp468,914,550,000) in 2021 and 2020, respectively. Further, the Company is also covered by insurance against business interruption under blanket policies with total coverage amounting to US$2,750,000 (Rp40,073,000,000) and US$2,750,000 (Rp45,009,250,000) in 2021 and 2020, respectively. The management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

In August 2016 and February 2017, the back office and a portion of pavilion of the hotel of the Company were damaged by fire. The Company also filed for insurance claims against its insurance provider in relation to the business interruption as a result of the damages from fire and received the approvals of claims on September 6, 2019 for a total coverage amounting to Rp6,415,115,650 which were all fully collected as of March 31, 2020.

On November 22, 2019, the Company lodged an insurance claim with the insurers for loss of profit as well as for material damages under business interruption policy in relation to the impact of damages of earthquake in August 2018 which caused the closure of hotel operations for renovations from August 2018 to June 2019. The Company received the approvals of claims on July 17, 2020 for an aggregate coverage amounting to Rp17,302,740,224 which were fully collected as of March 31, 2021.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

8. FIXED ASSETS - NET (continued)

The movements in the estimated claims for insurance are as follows:

	Business Interruption		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Estimated claims from insurance, beginning	-	-	-	-
Claims approved by Insurance	17,302,740,224	-	-	6,415,115,650
Total claims from insurance	17,302,740,224	-	-	6,415,115,650
Proceeds from insurance claims:				
April 1, 2019 to March 31, 2020	-	-	-	6,415,115,650
April 1, 2020 to March 31, 2021	17,302,740,224	-	-	-
Total proceeds from insurance claims	17,302,740,224	-	-	6,415,115,650
Estimated claims from insurance, ending	**-**	**-**	**-**	**-**

Approved claims from insurance amounting to Rp17,302,740,224 and Rp6,415,115,650 as of March 31, 2021 and 2020, respectively, are recorded as gains on insurance presented under “Other operating income - net” in the statement of profit or loss and other comprehensive with details as follows:

	Business Interruption		Fire loss- Pavillion	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Total claims from insurance	17,302,740,224	-	-	6,415,115,650
Claims already recognized as gain on insurance in prior year	-	-	-	-
Gain on Insurance Claims	17,302,740,224	-	-	6,415,115,650

As of March 31, 2021 and 2020, the management believes that there is no impairment in the value of the Company’s fixed assets.

9. TRADE PAYABLES

This account consists mainly liabilities to Hotel’s suppliers of goods and services amounting to Rp261,375,898 (US$17,937) and Rp607,281,753 (US$37,104) as of March 31, 2021 and 2020.

10. OTHER PAYABLES

This account consists of payables for:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Related Party (Note 13)				
Marketing and sales promotion expenses	-	1,513,538,325	-	92,475
Third Parties				
General reserve	57,607,501	71,363,101	3,953	4,360
Others	257,347,474	936,010,438	17,661	57,189
Subtotal	314,954,975	1,007,373,539	21,614	61,549
Total	**314,954,975**	**2,520,911,864**	**21,614**	**154,024**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

11. TAXATION

a. Taxes payable consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Development tax I	98,906,854	98,906,854	6,787	6,043
Income tax				
Article 21	25,683,693	54,441,408	1,763	3,326
Article 23	48,911,939	235,339,782	3,357	14,379
Article 26	2,460,400	4,808,800	168	294
Total	**175,962,886**	**393,496,844**	**12,075**	**24,042**

b. The reconciliation between the estimated tax expense computed by multiplying the income before income tax by the applicable tax rate and income tax expense as shown in the statement of profit or loss and other comprehensive income is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Income (loss) before income tax	6,446,959,834	(10,636,583,102)	238,564	(485,857)
Estimated tax expense based on prevailing tax rate	1,418,331,163	(2,659,145,776)	52,484	(121,464)
Net permanent differences at the applicable tax rate	114,758,791	56,554,373	7,881	3,958
Tax effect on changes in tax rate	(3,752,376,618)	-	(257,506)	-
Tax losses carryforward utilization	(1,323,096,047)	-	(90,797)	-
Unrecognized deferred tax assets - net	-	2,644,639,214	-	120,419
Translation adjustment	-	-	48,202	(344)
Income tax expenses (benefit)	**(3,542,382,711)**	**42,047,811**	**(239,736)**	**2,569**

Article 31E of Tax Law No. 36 Year 2008 provides tax reduction for domestic taxpayers with gross turnover of not more than Rp50 billion. The tax reduction amounted to RpNil and Rp36,305,036 for the years ended March 31, 2021 and 2020, respectively.

c. As of March 31, 2021, deferred tax assets - net consists of:

	Indonesian Rupiah			
		Deferred tax Benefit (Expense) Credited (Charged) to		
	April 1, 2020	Profit or Loss	Other Comprehensive Income	March 31, 2021
Deferred tax assets				
Depreciation and amortization - net	-	1,104,388,863	-	1,104,388,863
Employee benefits liability	-	859,622,422	10,314,656	869,937,078
Total Deferred tax assets	**-**	**1,964,011,285**	**10,314,656**	**1,974,325,941**
Deferred tax liabilities				
Reserve for replacement of furniture fixtures and equipment	(42,047,811)	1,578,371,426	-	1,536,323,615
Net deferred tax assets (liabilities) - net	**(42,047,811)**	**3,542,387,211**	**10,314,656**	**3,510,649,556**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

11. TAXATION (continued)

c. As of March 31, 2021, deferred tax assets - net consists of (continued):

	Translations into US dollar - Unaudited (Note 2n)				
	Deferred tax Benefit (Expense) Credited (Charged) to				
	April 1, 2020	Profit or Loss	Other Comprehensive Income	Translation adjustment	March 31, 2021
Deferred tax assets					
Depreciation and Amortization – net and equipment	-	75,788	-	-	75,788
Employee benefits liability	-	58,991	708	-	59,699
Total deferred tax assets	**-**	**134,779**	**708**	**-**	**135,487**
Deferred tax liabilities					
Reserve for replacement of furniture, fixtures and equipment	(2,569)	108,315	-	(316)	105,430
Net deferred tax assets	**(2,569)**	**243.094**	**708**	**(316)**	**240,917**

As of March 31, 2020, deferred income tax assets have not been recognized on the following carry-forward benefits of tax losses and deductible temporary differences as management believes that it is not probable that the Company will have sufficient future taxable profits against which these items can be utilized:

	Indonesian Rupiah	Translations into U.S. Dollar - Unaudited (Note 2n)
Tax losses carry-forward benefits	9,878,829,522	603,582
Reserve for replacement of FFE	7,777,372,077	475,186
Long-term employee benefits liability	5,036,745,145	307,738
Allowance for doubtful accounts	53,690,730	3,280

d. On March 30, 2017, the Company submitted a list of fixed asset items not yet registered in the Company's tax report up to 2015 to be administered under the tax amnesty program of the tax authority. These assets are in the form of antiques and paintings worth Rp385,000,000. The Company received the approval for tax amnesty program application from the Ministry of Finance in its decision letter dated April 25, 2018. As of March 31, 2021 and 2020, the tax amnesty assets as approved were recorded as a separate line item in the statement of financial position.

The movements of the tax amnesty assets are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Balance as approved by tax authority	385,000,000	385,000,000	28,902	28,902
Accumulated depreciation	(280,133,333)	(203,333,333)	(19,563)	(14,254)
Translation adjustment	-	-	(2,143)	(3,536)
Net book value	**104,866,667**	**181,666,667**	**7,196**	**11,112**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

12. ACCRUED EXPENSES

The details of accrued expenses due to third parties are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Professional fees	723,519,390	1,077,629,252	49,651	65,842
Salaries and allowance	540,052,446	614,729,688	37,061	37,559
Human resources	372,747,351	356,197,158	25,580	21,763
Marketing	203,816,165	264,623,856	13,987	16,168
Repairs and maintenance	184,811,186	315,593,954	12,683	19,282
Utilities	91,558,608	144,577,195	6,283	8,833
Others	874,654,182	987,095,953	60,022	60,311
Total	**2,991,159,328**	**3,760,447,056**	**205,268**	**229,758**

13. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Indonesian Rupiah		Translations into U,S, Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Due to related parties				
EIH Holdings Ltd,	24,947,818,173	29,166,616,437	1,712,038	1,782,037
PT Widja Putra Karya	-	1,649,492,003	-	100,782
Total	**24,947,818,173**	**30,816,108,440**	**1,712,038**	**1,882,819**
Other payables: (Note 10)				
EIH Holdings Ltd,	-	1,513,538,325	-	92,475

For the years ended March 31, 2021 and 2020, the Company received funds from EIH Holdings, Ltd. to support its operations and for working capital requirements amounting to Rp4,736,500,000 and Rp13,824,771,715, respectively.

The Company also received funds and operating expenses support from PT Widja Putra Karya amounting to Rp1,548,750 and Rp7,123,100,000 for the years ended March 31, 2021 and 2020, respectively.

Salaries and wages of the Company's key management personnel amounted to Rp396,947,453 (US$27,251) and Rp747,667,045 (US$52,863) in 2021 and 2020, respectively (unaudited).

In the normal course of its business, the hotel has entered into transactions with related parties as follows:

Related parties	Nature of relationships	Type of transactions
PT Widja Putra Karya	Entity under common control	Intercompany advances and share in proceeds from sale of vacation packages, operating expenses
EIH Holdings Ltd.	Parent company	Management fee, payable to finance hotel operations, and international sales promotion

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

14. RESERVE FOR REPLACEMENT OF FURNITURE, FIXTURES AND EQUIPMENT

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Balance at beginning of year	7,777,372,077	7,968,498,494	475,186	559,428
Provision during the year (Note 21)	-	613,018,174	-	43,600
Utilization of reserve	(95,754,000)	(804,144,591)	(6,586)	(56,843)
Translation adjustment	-	-	58,549	(71,001)
Balance at end of year	**7,681,618,077**	**7,777,372,077**	**527,149**	**475,186**

15. OTHER CURRENT FINANCIAL LIABILITIES

This account pertains to guest deposits from customers and travel agents amounting to Rp722,420,128 (US$49,576) and Rp1,820,231,244 (US$111,214) as of March 31, 2021 and 2020, respectively.

16. LONG-TERM EMPLOYEE BENEFITS LIABILITY

The Company’s long-term employee benefits liability consists only of post-employment benefits.

The calculation of the employee benefits liability as of March 31, 2020 was calculated in accordance with Law No. 13/2003 and with the Collective Labor Agreement which were still in effect as of December 31, 2020. On February 2, 2021, the Government promulgated Government Regulation Number 35 Year 2021 (PP 35/2021) to implement the provisions of Article 81 and Article 185 (b) of Law no. 11/2020 concerning Job Creation (Cipta Kerja), which aims to create the widest possible employment opportunities. PP 35/2021 regulates the work agreement for a certain period (non-permanent employees), outsourcing, working time, rest time and termination of employment, which can affect the minimum benefits that must be provided to employees. The Company has evaluated the impact and has calculated the employee benefits liability as of March 31, 2021 in line with PP35/2021. Management believes that the balance of employee benefits liability is sufficient to cover the minimum benefits required under the Law.

The following tables summarize the components of employee benefit expense recognized in the statement of profit or loss and other comprehensive income and amounts recognized in the statement of financial position as employee benefits liability as of March 31, 2021 and 2020 as determined by PT Lastika Dipa, an independent actuary, in their reports dated March 31, 2021 and April 10, 2020, respectively.

The principal assumptions used in determining the employee benefits liability as of March 31, 2021 and 2020, are as follows:

Discount rate	: 7.82 % in 2021 and 8.73% in 2020
Annual salary increase	: 8.00% per annum in 2021 and 2020
Mortality	: TMI IV in 2021 and TMI III in 2020
Retirement age	: 57 years old in 2021 and 55 years old in 2020
Disability rates	: 10% mortality from table TMI IV in 2021 and TMI III in 2020

16. LONG-TERM EMPLOYEE BENEFITS LIABILITY (continued)

a. The employee benefits expense recognized in the statement of profit or loss and other comprehensive income consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar-Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Past service cost	(1,302,441,500)	-	(89,380)	-
Current service cost	236,578,132	299,006,446	16,235	18,269
Interest cost	326,004,708	387,156,001	22,372	23,655
Employee benefit expense	**(739,858,659)**	**686,162,447**	**(50,773)**	**41,924**

b. Details of employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Present value of defined benefits obligation	**4,343,771,288**	**5,036,745,145**	**298,090**	**307,738**

c. Movements in employee benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Beginning balance	5,036,745,145	4,622,703,741	307,738	324,537
Provision during the year	(739,858,659)	686,162,447	(50,773)	41,924
Payment during the year	-	(89,261,101)	-	(5,454)
Actuarial loss (gain) due from:				
Experience adjustment	(422,868,392)	(274,879,207)	(25,837)	(16,794)
Changes in financial assumption	(44,927,059)	92,019,265	(2,745)	5,622
Change in demographic assumption	514,680,253	-	42,097	-
Translation adjustment	-	-	27,610	(42,097)
Ending balance	**4,343,771,288**	**5,036,745,145**	**298,090**	**307,738**

d. The expected total undiscounted pension benefit payments in Indonesian rupiah for the subsequent years are as follows:

Within the next 12 months (the next annual reporting year)	:	74,738,654
Between 2 and 5 years	:	1,425,651,688
Between 5 and 10 years	:	6,287,804,790
Beyond 10 years	:	39,207,174,660

The average duration of the long-term employee benefits liability is 16 years.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

16. LONG-TERM EMPLOYEE BENEFITS LIABILITY (continued)

e. The effect of a one-percentage point change in discount rate and salary increase rate on long-term employee benefits liability for the year ended March 31, 2021 is shown below:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Discount Rate	Salary Rate	Discount Rate	Salary Rate
Increase by 1%	(334,871,480)	372,997,374	(22,980)	25,597
Decrease by 1%	380,773,410	(334,197,353)	26,130	(22,934)

17. CAPITAL STOCK

The shares ownership details as of March 31, 2021 and 2020 are as follows:

Series A

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2n)
EIH Holdings Ltd.	73,789	57.03	13,282,020,000	6,530,000
EIH International Ltd.	33,900	26.20	6,102,000,000	3,000,000
PT Waka Gae Selaras	21,696	16.77	3,905,280,000	1,920,000
Total	**129,385**	**100.00**	**23,289,300,000**	**11,450,000**

Series B

EIH Holdings Ltd.	461,359	100.00	346,019,250,000	26,016,500
Total	**461,359**	**100.00**	**346,019,250,000**	**26,016,500**

Summary

	Share series	Number of Shares Issued and Fully paid	Percentage of Ownership	Amount	Translation into U.S. Dollar- Unaudited (Note 2n)
EIH Holdings Ltd.	Series A	73,789	12.49	13,282,020,000	6,530,000
EIH International Ltd.	Series A	33,900	5.74	6,102,000,000	3,000,000
PT Waka Gae Selaras	Series A	21,696	3.67	3,905,280,000	1,920,000
EIH Holdings Ltd.	Series B	461,359	78.10	346,019,250,000	26,016,500
Total		**590,744**	**100.00**	**369,308,550,000**	**37,466,500**

On September 7, 2019, the shareholders approved the transfer of 8,757 series A shares in the Company from PT Waka Gae Selaras (WGS) to EIH Holdings, Ltd., (EIHH) and the transfer of 46,135 series B shares in the Company from EIHH to PT WGS. As of report date, the transfer has not yet been executed.

18. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Room department				
Villa	-	5,828,220,868	-	414,206
Pavillion	-	6,205,441,283	-	441,014
Sub-total	-	12,033,662,151	-	855,220

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

18. DEPARTMENTAL REVENUES (continued)

The details of departmental revenues are as follows (continued):

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Food and beverages department				
Food	-	4,615,425,673	-	328,043
Beverages	-	1,641,922,537	-	116,702
Sub-total	-	6,257,348,210	-	444,745
Other operating departments				
Health spa	-	667,999,663	-	47,518
Boutique	-	244,006,456	-	17,299
Telephone and facsimile	-	52,829,114	-	3,755
Laundry	-	50,483,092	-	3,587
Sub-total	-	1,015,318,325	-	72,159
Others	-	1,127,610,440	-	81,239
Total	**-**	**20,433,939,126**	**-**	**1,453,363**

In 2020, the average hotel room occupancy rates was 22.7% (unaudited).

19. COST OF GOODS SOLD AND SERVICES

The details of cost of goods sold and services are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Food and beverage	-	1,874,381,345	-	133,244
Payroll and related expenses:				
Salaries and wages	1,864,732,010	3,735,447,588	128,467	264,926
Employee benefits	327,603,768	1,977,337,992	22,708	140,204
Other expenses:				
Security	349,641,340	659,302,201	24,152	46,760
Kitchen Fuel	59,508,706	70,490,937	4,110	4,999
Telephone and communication	55,541,733	142,016,729	3,824	10,085
Health club	34,152,937	112,770,672	2,376	7,995
Cleaning and guest supplies	15,000,287	569,866,052	1,031	40,483
Linens and uniforms	3,455,504	328,204,124	239	23,299
Transportation and travel	1,938,000	144,508,155	134	10,255
Loss and damages	1,818,783	103,747,025	126	7,358
Decoration	38,000	85,011,677	3	6,034
Travel agents	-	892,000,000	-	63,388
Welcome drinks, fruit baskets, and amenities	-	400,547,032	-	28,460
Laundry	-	315,723,112	-	22,453
Boutique	-	208,349,981	-	14,764
Cultural music and shows	-	90,399,660	-	6,411
Cable television and music	-	80,482,246	-	5,719
Others	111,696,740	791,894,916	7,713	56,122
Total	**2,825,127,808**	**12,582,481,444**	**194,883**	**892,959**

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

20. GENERAL AND ADMINISTRATIVE EXPENSES

The details of hotel operating expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Salaries and wages	1,012,858,020	1,784,626,395	70,150	126,603
Employee benefits	223,719,096	572,814,632	18,854	40,639
Insurance	188,674,993	214,552,938	13,068	15,222
Telephone and communication	82,833,977	89,385,601	5,728	6,342
Transportation and travel	53,875,852	217,883,592	3,731	15,458
Bank charges	36,553,288	54,002,537	2,491	3,831
Printing and stationery	7,496,780	75,687,025	519	5,370
Commission on credit cards	957,349	351,390,710	57	24,930
Licenses and taxes	-	117,175,943	-	8,313
Others	348,935,659	1,285,558,891	20,918	91,207
Total	**1,995,905,014**	**4,763,078,264**	**135,516**	**337,915**

21. PROPERTY OPERATIONS, MAINTENANCE AND ENERGY EXPENSES

The details of property operations, maintenance and energy expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Repairs and maintenance	697,095,239	2,050,524,570	48,150	145,393
Electricity	418,919,170	1,733,007,425	28,910	123,068
Salaries and wages	278,875,562	677,557,479	19,313	48,032
Supplies	113,400,000	450,283,346	7,844	31,922
Water	106,373,600	368,995,900	7,341	26,207
Fuel	43,418,162	788,405,111	2,997	55,989
Provision for replacement of furniture fixtures and equipment (Note 14)	-	613,018,174	-	43,601
Others	11,814,692	90,469,749	817	6,413
Total	**1,669,896,425**	**6,772,261,754**	**115,372**	**480,625**

22. MARKETING EXPENSES

The details of marketing expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Advertising and promotion	198,956,274	1,877,944,973	13,909	133,128
Sales promotion expenses (Note 26)	-	613,018,174	-	43,600
Transportation and travel	-	127,939,416	-	9,070
Others	168,812,062	345,857,479	11,802	24,518
Total	**367,768,336**	**2,964,760,042**	**25,711**	**210,316**

23. OTHER INCOME

In the last quarter of 2020, the Central Government identified hotels and restaurants to receive tourism grants through the Decree (SK) of the Regent of Badung number 67/054/HK/2020 according to the technical instructions from the Tourism Ministry, the amount of which will be calculated by the government based on the tax contribution subject to certain ceiling. In December 2020, the Company received cash grant from the government amounting to Rp298,686,685 (US$21,109) for operating expenditures. The Company has fully utilized the grant and has no excess grant to be returned to the government. Remaining amount pertains to interest from bank.

24. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Company has various financial assets such as cash on hand and in banks, trade receivables - net and other current and non-current financial assets which arise directly from the Company's operations.

The Company's principal financial liabilities consist of trade payables, other payables, accrued expenses, due to related parties and other current financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations.

The carrying values of the Company's financial assets and liabilities approximate their fair values as of March 31, 2021 and 2020.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such value:

Current financial assets and liabilities:

- Current financial instruments with remaining maturities of one year or less (cash on hand and in banks, trade receivables, other current financial assets, trade payables, other payables, accrued expenses, due to related parties, and other current financial liabilities)

  The carrying values of the Company's current financial assets and liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

Non-current financial asset:

- Long-term financial assets (other non-current financial assets)

  The fair values of other non-current financial assets are assumed to be the same as the cash amount that will be received due to the fact that the maturity of such financial assets is not stated in related contract and the management is not yet able to determine when the financial assets will be realized.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

The main risks arising from the Company's financial instruments are foreign exchange rate risk, credit risk and liquidity risk. The Company's Board of Directors reviews and approves the policies for managing these risks which are summarized below.

a. Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to exchange rate fluctuations results primarily from its U.S. dollar-denominated cash in banks, trade receivables, other payables and loan payable.

The Company's policies are to minimize the risk arising from the foreign exchange rate by monitoring its fluctuations and maintaining an adequate level of cash in banks and long-term bank loan in U.S. dollar. To the extent the Indonesian rupiah depreciates further from the exchange rates in effect at March 31, 2021, the Company's loan payable increases in Indonesian rupiah terms. However, the increase in this obligation will be offset in part by the increase in the value of its U.S. dollar-denominated cash in banks.

	Amount in Foreign Currency		Rupiah Equivalent
Assets			
Cash on hand and in banks	US$	38,395	559,491,940
Liabilities			
Due to related parties	US$	1,712,038	24,947,817,736
Net Liabilities			**(24,388,325,796)**

b. Credit Risk

Credit risk arises when one party to a financial asset or liability fails to discharge an obligation and causes the Company to incur a financial loss. The Company manages and controls this credit risk by setting limits on the amount of risk it is willing to accept for individual customers and by monitoring exposures in relation to such limits. The maximum exposure of the financial instruments to credit risk is equal to the carrying values as disclosed in Note 24.

With respect to credit risk arising from financial assets, primarily cash, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets.

The table below shows the maximum exposure to credit risk for the Company's financial assets without taking into account any collateral and other credit enhancements:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Current Financial Assets				
Cash on hand and in banks	1,138,740,376	1,712,599,189	78,146	104,637
Trade receivables - net	-	285,216,213	-	17,426
Other current financial assets	28,873,592	26,268,485	1,981	1,605
Total Financial Assets	**1,167,613,968**	**2,024,083,887**	**80,127**	**123,668**

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Management (continued)

c. Liquidity Risk

Liquidity risk is defined as the risk when the cash flow position of the Company indicates that the short-term revenues are not enough to cover its short-term expenditures. The Company's liquidity risk mainly arises from the repayment of its payable to EIH as of March 31, 2021 and 2020 which was due within a year. As of March 31, 2021, the Company's current liabilities exceed its current assets by Rp33,213,857,423 (see item "d" section below).

d. Capital Management

The primary objective of the Company's capital management is to ensure that it maintains healthy cash flows in order to support its business. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return on capital or issue new shares.

The Company reported net income of Rp9,989,342,545 (US$478,300) for the year ended March 31, 2021 resulting in deficit and equity of Rp349,976,825,209 (US$29,957,617) and Rp18,720,437,676 (US$1,284,685) respectively. The Company's total current liabilities exceeded its total current assets by Rp33,213,857,423 (US$2,279,225) as of March 31, 2021.

The outbreak of COVID-19 pandemic has severely impacted the travel and hospitality sectors worldwide. The Indonesian tourism industry has also been hugely affected by the stoppage of commercial flights and closing of international borders.

During the year 2020-2021, the losses incurred were due to the closure of entire hotel operations as a result of severe travel restrictions around the globe and by the local government of West Nusa Tenggara. As part of its continuing efforts to respond to and manage the effects of the aforementioned conditions, the Company has undertaken and is continuously implementing the following measures, among others:

- Closure of mainline hotel operations as well as food and beverage outlets until government declares tourism and hotel activities are safe to resume; and,
- Cost-cutting measures including human resources shifting, contracts assessments, utilities and housekeeping reduction, suspension of services not required, suspension of sales representation with cancellation of sales travel and capping a minimum budget expenditure until operations return to normalcy.

The Company will continuously assess the above measures throughout the duration of the outbreak.

With the rapid vaccination in progress in Europe, United Kingdom and United States of America and also the start of vaccination in Indonesia, there is hope that international borders restriction would be removed soon. The Company estimates gradual lifting of airline travel restrictions and opening of international borders in a phased manner with a slow start of operations in 2nd quarter, with business gradually improving in 3rd and 4th quarters; Continued cost rationalization measures will be enforced, throughout the year.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

d. Capital Management (continued)

In addition, EIH International, Ltd., the Company's ultimate parent company, and along with EIH Holdings, Ltd, which owns a combined 96.33% shareholdings in the Company, have provided a written confirmation on its intention and ability to provide financial support if and when required by the Company to allow it to continue as a going concern entity. Further, the Company's claims for loss of profit under business interruption policy amounting to Rp17,302,740,224 (US$1,188,781) were received during the year.

As of the completion date of the financial statements, the probability of the success of the Company's continuing efforts will still be affected by some uncontrollable factors including uncertainty in the extent and duration of the impact of COVID-19.

The financial statements have been prepared assuming that the Company will continue as a going concern entity. The financial statements did not include any adjustment that might result from these uncertainties.

26. SIGNIFICANT AGREEMENT

The Company entered into a Hotel Operation Agreement with EIH Management Services B.V. (the Operator) to manage and operate the Hotel effective December 31, 1998. On July 24, 2000, the Company signed a Renewal Agreement whereby the original term was extended until April 14, 2034 with operator having automatic rights of approval for another 20 years. The assignment of EIH Management Services B.V as the hotel operator was also transferred to EIH Holdings Ltd. with all terms and conditions retained.

The Operator has automatic and irrevocable options to extend the Agreement for another 20 years. Under the agreement, the Hotel Operator is entitled to a fee of 12.5% of the total gross operating profit. Also, under the agreement, the Hotel Operator is entitled to pay out of the gross operating revenue and as part of gross operating expenses, an amount equal to 3% of the Hotel gross operating revenue for marketing and sales promotion expenses. Any loss incurred by the Hotel in any financial year shall be borne exclusively by the Company.

27. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS

The following are revised accounting standards issued by the Indonesian Financial Accounting Standards Board that are relevant to the financial statements but are effective only for financial statements covering the periods beginning on or after April 1, 2021:

Effective beginning on or after April 1, 2021:

a. Amendments to PSAK 73: Covid-19 Related Rent Concessions.

   On May 30, 2020, the DSAK IAI published Covid-19-Related Rent Concessions - amendment to PSAK 73: Leases. The amendments provide relief to lessees from applying PSAK 73 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under PSAK 73, if the change were not a lease modification. This amendment has no impact on the financial statements of the Company.

27. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS (continued)

Effective beginning on or after April 1, 2021 (continued):

b. Amendments to PSAK 22: Definition of Business.

The amendment to PSAK 22 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

c. Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts - Contract Fulfillment Costs

This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract. The amendments to PSAK 57 provide that costs to fulfill a contract comprise of costs that are directly related to the contract. Costs that are directly related to the contract consist of (1) incremental costs to fulfill the contract, and (2) allocation of other costs that are directly related to fulfilling the contract.

An entity shall apply those amendments to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Earlier application is permitted. An entity shall apply those amendments to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Earlier application is permitted

Effective beginning on or after April 1, 2022:

d. 2020 Annual Improvements – PSAK 71: Financial Instruments

This improvements clarifies the fees that are recognized by the borrower in relation to derecognition of financial liabilities. In determining the fee to be paid after deducting the fee received, the borrower only includes the fees paid or received between the borrower and lender, including fees paid or received by either the borrower or lender on other's behalf. An entity applies the improvements to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. Earlier application is permitted.

Effective beginning on or after April 1, 2023:

e. Amendments to PSAK 1: Classification of Liabilities as Current or Non-current

The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments must be applied retrospectively. Earlier application is permitted.

The Company is presently evaluating and has not yet determined the effects of these accounting standards on the financial statements.

(Expressed in rupiah unless otherwise stated, with translations into United States dollar)

28. NON-CASH ACTIVITIES

Supplementary information to the statement of cash flows relating to non-cash activities are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Additions to fixed assets charged to:				
Other payables	-	654,148,497	-	39,968

29. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The reconciliation of liabilities arising from financing activities for the years ended March 31, 2021 and 2020 are as follows:

	Year Ended March 31, 2021				
	Beginning Balance	Cash flows	Foreign Exchange	Others	Ending Balance
Due to related parties	**30,816,108,440**	**(2,872,992,003)**	**(2,995,298,264)**	**-**	**24,947,818,173**

	Year Ended March 31, 2020				
	Beginning Balance	Cash flows	Foreign Exchange	Others	Ending Balance
Due to related parties	**14,667,868,379**	**12,141,550,000**	**3,545,744,123**	**460,945,938**	**30,816,108,440**