PT Widja Putra Karya

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

PT WIDJA PUTRA KARYA
FINANCIAL STATEMENTS
AS OF MARCH 31, 2021
AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT

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PT. WIDJA PUTRA KARYA
The Oberoi, Bali

PT WIDJA PUTRA KARYA

REPORT OF THE DIRECTORS

We present the report and the audited financial statements of PT Widja Putra Karya (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 7 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

P.T. WIDJA P...
METERAI TEMPEL
...E6AJX153855200

I Wayan Pasek
President Director

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Independent Auditors' Report

Report No. 00654/2.1032/AU.1/10/1175-6/1/IV/2021

The Stockholders and Boards of Commissioners and Directors
PT Widja Putra Karya

We have audited the accompanying financial statements of PT Widja Putra Karya, 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.

Independent Auditors' Report (continued)

Report No. 00654/2.1032/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 Widja Putra Karya 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 WIDJA PUTRA KARYA
STATEMENT OF FINANCIAL POSITION
As of March 31, 2021
(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into US 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,4,19	4,474,244,980	914,592,166	307,044	55,880
Trade receivables - third parties	2o,5,19	-	1,204,428,279	-	73,589
Other receivables - third parties	2o,19	-	95,563,795	-	5,839
Inventories	2e,7	2,529,072,949	2,934,021,225	173,557	179,264
Prepayments and advances	2f,8	1,562,689,387	3,721,667,846	107,239	227,389
Due from related parties	2d 2o,6,19	-	1,649,492,003	-	100,782
Other current financial assets	2o,6,19	144,869,127	7,684,800,076	9,942	469,530
TOTAL CURRENT ASSETS		**8,710,876,443**	**18,204,565,390**	**597,782**	**1,112,273**
NON-CURRENT ASSETS					
Due from related parties	2d, 2o,6,19	3,570,140,000	8,717,211,503	245,000	532,609
Fixed assets - net	2g,9	64,637,479,156	68,462,988,190	4,435,731	4,182,989
Tax amnesty assets - net	2m,12c	654,116,663	1,257,916,663	44,889	76,857
Deferred tax assets - net	2m,12d	4,298,100,941	8,789,560,790	294,956	537,029
Other non-current assets	2o,10,19	1,285,226,998	1,375,606,837	88,197	84,048
Estimated claims for tax refund	2m,12b	4,666,394,563	2,902,438,492	320,230	177,335
TOTAL NON-CURRENT ASSETS		**79,111,458,321**	**91,505,722,475**	**5,429,003**	**5,590,867**
TOTAL ASSETS		**87,822,334,764**	**109,710,287,865**	**6,026,785**	**6,703,140**

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

PT WIDJA PUTRA KARYA
STATEMENT OF FINANCIAL POSITION (continued)
As of March 31, 2021
(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into US Dollar - Unaudited (Note 2n)	
	Notes	**March 31, 2021**	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables					
Third parties	2o,11,19	981,086,547	2,532,107,623	67,327	154,708
Other payables	2o,19				
Third parties		1,768,184	426,776,105	121	26,075
Related parties	2d,6	-	942,403,149	-	57,579
Taxes payable	2m,12a	188,438,940	771,875,087	12,932	47,160
Accrued expenses	2o,13,19	3,845,177,119	5,205,095,730	263,874	318,024
Due to hotel operator	2d,2o,6, 14,19	-	52,450,915	-	3,205
Reserve for replacement of furniture, fixtures and equipment	2g,15	8,396,774,147	8,439,766,917	576,227	515,658
Current portion of lease liability	2p,18,19	4,357,567,847	1,605,168,539	299,037	98,073
Other current liabilities	2o,16	3,246,773,980	7,373,028,671	222,809	450,476
Due to a shareholder	2d,6	22,047,436,000	-	1,513,000	-
TOTAL CURRENT LIABILITIES		**43,065,022,764**	**27,348,672,736**	**2,955,327**	**1,670,958**
NON-CURRENT LIABILITY					
Long-term employee benefits liability	2j,17	7,398,121,351	9,902,688,266	507,694	605,040
Lease liability - net of current portion	2p,18,19	36,732,777,114	42,743,806,069	2,520,778	2,611,585
TOTAL NON-CURRENT LIABILITIES		**44,130,898,465**	**52,646,494,335**	**3,028,472**	**3,216,625**
TOTAL LIABILITIES		**87,195,921,229**	**79,995,167,071**	**5,983,799**	**4,887,583**
EQUITY					
Capital stock - Rp100,000 par value per share Authorized, issued and fully paid - 11,070 shares	20	1,107,000,000	1,107,000,000	659,603	659,603
Additional paid-in capital	2m,12c	3,019,000,000	3,019,000,000	226,635	226,635
Other comprehensive loss					
Re-measurement loss on long-term employee benefits liability		(1,638,109,262)	(1,799,785,341)	(122,477)	(133,793)
Translation adjustment	2n	-	-	(3,255,846)	(3,711,171)
Retained earnings (deficit)		(1,861,477,203)	27,388,906,135	2,535,071	4,774,283
TOTAL EQUITY		**626,413,535**	**29,715,120,794**	**42,986**	**1,815,557**
TOTAL LIABILITIES AND EQUITY		**87,822,334,764**	**109,710,287,865**	**6,026,785**	**6,703,140**

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

PT WIDJA PUTRA KARYA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Year Ended March 31, 2021
(Expressed in Indonesian 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, 21				
Rooms		-	60,880,601,310	-	4,317,522
Food and beverages		-	20,167,391,987	-	1,430,536
Other operating departments		-	5,409,536,022	-	383,545
Total Departmental Revenues		**-**	**86,457,529,319**	**-**	**6,131,603**
COST OF GOODS SOLD AND SERVICES	2k,22	**10,089,687,615**	**40,241,786,968**	**692,946**	**2,852,215**
GROSS PROFIT (LOSS)		**(10,089,687,615)**	**46,215,742,351**	**(692,946)**	**3,279,388**
HOTEL OPERATING EXPENSES	2k				
General and administrative expenses	23	4,390,460,889	11,628,157,419	301,749	823,835
Property operations, maintenance and energy expenses	24	3,805,008,251	14,721,564,510	261,197	1,042,615
Marketing and sales promotion expenses	25	1,051,821,646	7,700,168,191	72,853	544,723
Other income	26	(2,314,938,457)	-	(161,431)	-
Total Hotel Operating Expenses		**6,932,352,329**	**34,049,890,120**	**474,368**	**2,411,173**
HOTEL GROSS OPERATING PROFIT (LOSS)		**(17,022,039,944)**	**12,165,852,231**	**(1,167,314)**	**868,215**
OWNER'S OPERATING (INCOME) EXPENSES	2k				
Depreciation and amortization		4,907,243,104	5,163,082,803	338,292	362,897
Foreign exchange losses (gains) - net		(3,412,408,930)	4,201,571,191		-
Professional fees		3,029,462,635	2,871,035,355	206,778	202,914
Insurance		1,444,621,544	1,791,241,180	103,857	127,604
Salaries and wages		1,101,351,720	2,021,916,052	75,719	143,175
Finance income - net		(1,393,943)	(2,978,617)	(96)	(208)
Rental		4,200,000	8,399,995	290	589
Management fee	6,27a	-	1,520,731,529	-	108,527
Tax expense		-	1,085,781,904	-	77,063
Other operating expenses - net		2,378,821,776	1,937,508,184	163,972	136,102
Total Owner's Operating Expenses - Net		**9,451,897,906**	**20,598,289,576**	**(888,812)**	**1,158,663**
LOSS BEFORE INCOME TAXES		**(26,473,937,850)**	**(8,432,437,345)**	**(2,056,126)**	**(290,448)**
Income tax benefit (expense) - net	2m,12b	(2,776,445,488)	5,295,392,292	(183,086)	334,866
NET LOSS FOR THE YEAR		**(29,250,383,338)**	**(3,137,045,053)**	**(2,239,212)**	**44,418**

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

PT WIDJA PUTRA KARYA
STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
For the Year Ended March 31, 2021
(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

		Indonesian Rupiah		Translations into US Dollar - Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	2021	2020	2021	2020
OTHER COMPREHENSIVE INCOME (LOSS)					
Item not to be reclassified to profit or loss in subsequent periods:					
Re-measurement (loss) gain on long-term employee benefits liability		207,277,025	(31,607,402)	14,224	(2,213)
Related income tax		(45,600,945)	6,953,628	(2,908)	487
Item to be reclassified to profit or loss in subsequent periods:					
Difference in foreign currency translation		-	-	455,325	(535,252)
Other Comprehensive Income (Loss), Net of Tax		**161,676,080**	**(24,653,774)**	**466,641**	**(536,978)**
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(29,088,707,258)**	**(3,161,698,827)**	**(1,772,571)**	**(492,560)**

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

PT WIDJA PUTRA KARYA
STATEMENT OF CHANGES IN EQUITY
For the Year Ended March 31, 2021
(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah				
	Note	**Capital Stock**	**Additional Paid in Capital (Note 2m)**	**Other Comprehensive loss**	**Retained Earnings**	**Total Equity**
Balance as of March 31, 2019		**1,107,000,000**	**3,019,000,000**	**(1,775,131,567)**	**30,525,951,188**	**32,876,819,621**
Net loss for the year		-	-	-	(3,137,045,053)	(3,137,045,053)
Re-measurement loss on long-term employee benefits liability - net of tax	17	-	-	(24,653,774)	-	(24,653,774)
Balance as of March 31, 2020		**1,107,000,000**	**3,019,000,000**	**(1,799,785,341)**	**27,388,906,135**	**29,715,120,794**
Net loss for the year		-	-	-	(29,250,383,338)	(29,250,383,338)
Re-measurement gain on long-term employee benefits liability - net of tax	17	-	-	161,676,079	-	161,676,079
Balance as of March 31, 2021		**1,107,000,000**	**3,019,000,000**	**(1,638,109,262)**	**(1,861,477,203)**	**626,413,535**

		Translations into US Dollar - Unaudited (Note 2n)					
	Note	**Capital Stock**	**Additional Paid-in Capital (Note 2m)**	**Retained Earnings**	**Other Comprehensive Loss**	**Translation Adjustment**	**Total Equity**
Balance as of March 31, 2019		**659,603**	**226,635**	**4,729,865**	**(132,067)**	**(3,175,919)**	**2,308,117**
Net income for the year		-	-	44,418	-	-	44,418
Re-measurement loss on long-term employee benefits liability - net of tax	17	-	-	-	(1,726)	-	(1,726)
Translation adjustment		-	-	-	-	(535,252)	(535,252)
Balance as of March 31, 2020		**659,603**	**226,635**	**4,774,283**	**(133,793)**	**(3,711,171)**	**1,815,557**
Net loss for the year		-	-	(2,239,212)	-	-	(2,239,212)
Re-measurement gain on long-term employee benefits liability - net of tax	17	-	-	-	11,316	-	11,316
Translation adjustment		-	-	-	-	455,325	455,325
Balance as of March 31, 2021		**659,603**	**226,635**	**2,535,071**	**(122,477)**	**(3,255,846)**	**42,986**

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

PT WIDJA PUTRA KARYA
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2021
(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into US Dollar - Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income taxes		(26,473,937,850)	(8,432,437,345)	(2,056,126)	(290,448)
Adjustments to reconcile Income (loss) before income taxes for the year to net cash flows provided by operating activities:					
Depreciation and amortization	9, 10, 12	4,907,243,104	5,163,082,803	338,292	362,897
Provision for replacement of furniture, fixtures and equipment	15,23	-	2,593,725,879	-	183,949
Provision for employee benefits - net	17	(2,297,289,890)	(396,973,600)	(157,780)	(34,133)
Unrealized loss (gain) on forex - net		(3,412,408,930)	4,201,571,191	-	-
Interest expense		1,838,274,325	1,336,601,481	127,611	93,549
Changes in operating assets and liabilities:					
Trade receivables		1,204,428,279	1,624,384,722	73,589	99,248
Other receivables - third parties		95,563,795	(109,515,392)	5,839	(6,691)
Inventories		404,948,276	1,196,619,602	5,707	73,112
Other current financial assets		7,539,930,949	5,214,341	459,588	319
Prepayments and advances		2,158,978,459	307,788,169	120,150	18,805
Estimated claim for tax refund		(1,763,956,071)	(2,902,438,360)	(142,895)	(177,335)
Trade payables		(1,551,021,076)	1,018,610,364	(87,381)	62,236
Other payables		(1,401,676,070)	535,226,046	(85,971)	32,702
Taxes payable		1,131,578,214	(1,158,563,858)	79,475	(70,787)
Accrued expenses		(1,359,918,611)	(137,903,846)	(54,150)	(8,425)
Due to hotel operator		(52,450,915)	(68,750,884)	(3,205)	(4,201)
Other current liabilities		(4,126,254,691)	(1,258,371,072)	(227,667)	(76,885)
Net Cash Flows Provided by (Used in) Operating Activities		**(23,157,968,703)**	**3,517,870,241**	**(1,604,924)**	**257,912**
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of fixed assets	9,31	(366,939,100)	(1,739,434,909)	(24,899)	(119,912)
Utilization of reserve for replacement of furniture, fixtures and equipment	15	(42,992,770)	(753,572,758)	(2,950)	(53,635)
Net Cash Flows Used in Investing Activities		**(409,931,870)**	**(2,493,007,667)**	**(27,849)**	**(173,547)**
CASH FLOWS FROM FINANCING ACTIVITY					
Payments of lease liabilities	18	(267,687,961)	(107,216,274)	(17,454)	(7,225)
Collections of (funds provided to) due from related parties		6,796,563,506	(7,671,616,709)	388,391	(562,519)
Receipts of funds from a shareholder	6	22,047,436,000	-	1,513,000	-
Net Cash Flows Provided by (Used in) Financing Activities		**28,576,311,545**	**(7,778,832,983)**	**1,883,937**	**(569,744)**
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		**5,008,410,972**	**(6,753,970,409)**	**251,164**	**(485,379)**

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

PT WIDJA PUTRA KARYA
STATEMENT OF CASH FLOWS (continued)
For the Year Ended March 31, 2021
(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

		Indonesian Rupiah		Translations into US Dollar - Unaudited (Note 2n)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	2021	2020	2021	2020
NET EFFECT OF DIFFERENCES IN FOREIGN EXCHANGE RATES		**(1,448,758,158)**	**(41,126,569)**	**-**	**-**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	**914,592,166**	**7,709,689,144**	**55,880**	**541,259**
CASH ON HAND AND IN BANKS AT END OF YEAR	**4**	**4,474,244,980**	**914,592,166**	**307,044**	**55,880**

Information on non-cash activities are disclosed in Note 31.

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

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

1. GENERAL

PT Widja Putra Karya (the "Company") was established based on notarial deed No. 42 dated April 20, 1977 of Amir Sjarifuddin, S.H. The deed of establishment was approved by the Ministry of Justice in its decision letter No. Y.A.5/413/2 dated October 5, 1977. The Company subsequently changed its status to become a foreign capital investment company under the framework of the Foreign Capital Investment Law No. 1 of 1967 as amended by Law No. 11 of 1970 based on approval letter No. 64/V/PMA/1995 dated December 4, 1995 of the State Minister for Mobilization of Investment Fund/the Chairman of the Capital Investment Coordinating Board.

The Company's Articles of Association has been amended several times, the latest amendment of which was covered by notarial deed No. 7 dated October 25, 2018 of Irwan Azwir Tanjung, S.H., regarding the changes in the composition of the Company's Boards of Commissioners and Directors. The latest amendment was reported to the Ministry of Law and Human Rights of the Republic of Indonesia and was acknowledged in its letter No. AHU-AH.01.03-0268373 dated November 27, 2018.

In accordance with Article 3 of the Company's articles of association, the Company is engaged in activities related to the tourism industry. Currently, the Company is the owner of The Oberoi Bali (the Hotel), located at Jalan Kayu Aya, Seminyak Beach, Bali. On March 19, 2019, EIH Management Services B.V assigned EIH Holdings Ltd to manage the hotel operations up to year 2032 with option to extend for 10 or 20 years.

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

Board of Commissioners		Board of Directors	
Sudarshan Vedaji Rao	- President Commissioner	I Wayan Pasek	- President Director
I Ketut Siandana	- Commissioner	Deepak Madhok	- Director
I.B. Yudana	- Commissioner	I Made Sutarjana	- Director

The Company has a total of 151 and 195 permanent employees as of March 31, 2021 and 2020, respectively (unaudited).

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 Presentation 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 Presentation 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, which has been prepared using the indirect method, presents cash receipts and disbursements of cash and cash equivalents into operating, investing and financing activities.

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 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
Rights-of-use assets	38
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.

Rights-of-use assets represent land and will be amortized over the lease terms.

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.

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 on derecognition of the asset is credited or charged to operations in the year the asset is derecognized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Fixed Assets (continued)

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. Meanwhile, costs incurred in connection with the extension or renewal of the above rights are recognized as intangible asset (presented as part of “Other non-current assets” in the statement of financial position) and are amortized throughout the validity period of the rights or the economic useful life of the land, whichever period is shorter.

Effective April 1, 2019, it is the Company’s policy to classify right-of-use assets as part of fixed assets. Prior to that date, all of the Company’s leases are accounted for as operating leases in accordance with PSAK 30, hence, not recorded on the statement of financial position. The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. Right-of-use assets are subject to impairment.

h. Impairment of Non-financial Assets

The Company assesses at the end of each 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Impairment of Non-financial Assets (continued)

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 charge 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.

j. Employee Benefits Liability

<u>Short-term employee benefits</u>

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.

<u>Post-employment benefits</u>

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Employee Benefits Liability (continued)

Post-employment benefits

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.

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 competed 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 services are rendered to the customers.

Expenses are recognized when they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Current tax

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 - net” 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Taxation (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

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

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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

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).

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:

- o The rights to receive cash flows from the asset have expired; or,
- o 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

i. Financial Assets (continued)

Derecognition (continued)

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

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, due to a shareholder and other current financial liabilities.

Subsequent Measurement

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

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

ii. Financial Liabilities (continued)

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.

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 included cash and cash equivalents, trade receivables, other receivables, other current financial assets (employee loans), due from related parties and other non-current assets (security deposits). The Company has determined that all of these financial assets are categorized 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 profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

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 included trade and other payables, accrued expenses (excluding accruals relating to employee benefits), due to hotel operator, lease liabilities and other current liabilities (deposits from customers). The Company has determined that all of these financial liabilities are categorized as other financial liabilities.

Subsequent measurement

After initial recognition, financial liabilities measured at amortized cost are measured using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

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, 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 period. 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 observable 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

v. Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate 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.

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

<u>Financial assets</u>

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Financial Instruments (continued)

vii. Derecognition of Financial Assets and Liabilities (continued)

<u>Financial liabilities</u>

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.

p. Lease

Effective April 1, 2019, the Company early adopted PSAK 73 “Leases”. PSAK 73 is adopted from IFRS 16 - Leases, which superseded PSAK 30 “Leases”. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Company’s lease accounting is as a lessee since the Company does not have any transactions as a lessor.

The Company recognized rights-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company had applied the modified retrospective method of adoption, with the date of initial application of April 1, 2019. In accordance with the standard, by applying modified retrospective approach, the lessee shall not restate comparative information. Instead, the lessee shall recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Lease (continued)

Upon adoption, the Company applied a single recognition and measurement approach for all leases
for which it is the lessee, except for short-term leases and leases of low-value assets.

The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

<u>Short-term leases and leases of low-value assets</u>

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Based on the above, as at April 1, 2019:

- Rights-of-use assets (presented as part of “Fixed Assets” account) were recognized amounting to Rp44,186,840,610 (US$3,104,882), representing the amount of rights-of-use assets set up on transition date.
- Lease liabilities were recognized amounting to Rp38,255,757,280 (US$2,688,199) after considering prepayments of Rp5,931,083,330 (US$416,683) related to previous operating leases arising from straight lining were derecognized.

Due to the adoption of PSAK 73, the Company’s gross operating profit in 2020 will improve, while its interest expense will increase. This is due to the change in the accounting for rent expense related to leases that were classified as operating leases prior to adopting PSAK 73.

The adoption of PSAK 73 will not have an impact on equity in 2020, since the Company elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

Prior to adoption of PSAK 73, Leases of fixed assets where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in obligations under finance leases. The interest element of the finance cost is taken to profit or loss over the leased period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalized leased assets are depreciated over the estimated useful life of the assets except if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, in which case the leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Where a significant portion of the risks and rewards of ownership are retained by the lessor, the leases are classified as operating leases. Payments made under operating leases are taken to profit or loss on a straight-line basis over the period of the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Adoption of Amendments and Improvements of 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:

PSAK 71: Financial Instruments

PSAK 71: Financial Instruments replaces PSAK 55: Financial Instruments: Recognition and Measurements for annual perios 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 Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Adoption of Amendments and Improvements of 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 - third parties	Rp -	Rp1,204,428,279	Rp -
Other receivables – third parties	Rp -	Rp95,563,795	Rp -
Other current financial assets	Rp -	Rp7,684,800,076	Rp -
Due from related parties	Rp -	Rp10,366,703,506	Rp -
Other non-current financial assets	Rp -	Rp13,650,000	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.

(b) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 end of the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes in future periods that require material adjustment to the carrying amounts of the assets or liabilities affected in future periods.

a. 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:

Determination of Functional Currency

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.

Classification of Financial Assets and Financial Liabilities

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.

b. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may cause a material adjustment to the carrying amounts of assets and liabilities in future periods 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 as they occur.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and Assumptions (continued)

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

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.

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 specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Company uses judgment, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customers and the customers' current credit status based on any third-party credit reports (if available) and known market factors, to record specific provisions for customers against amounts due to reduce the receivable amounts that it expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of trade receivables. Further details are disclosed in Note 5.

Estimation of Post-employment Benefits Liability

The pension cost and the present value of the pension obligation are determined using the projected-unit-credit method. Actuarial valuation includes making various assumptions which consist of,among other things, discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. Due to the complexity of the valuation and its underlying assumptions and long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions.

While the Company believes that its assumptions are reasonable and appropriate, significant differences in the Company's actual experience or significant changes in its assumptions may materially affect the costs and obligations of pension and other long-term employee benefits. Further details are disclosed in Note 17.

3. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

b. Estimates and Assumptions (continued)

Estimating Useful Lives of Fixed Assets

The Company estimates the useful lives of its fixed assets based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of fixed assets is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least at the end of each financial year and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets.

It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The amounts and timing of recorded expenses for any year will be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Company's fixed assets will increase the recorded operating expenses and decrease non-current assets. Further details are disclosed in Note 9.

Estimation of Tax Liability

In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK No. 57, "Provisions, Contingent Liabilities and Contingent Asset". The Company makes an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

4. CASH ON HAND AND IN BANKS

This account consists of the following:

	Indonesian Rupiah		Translations into US Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Cash on hand				
Rupiah	81,000,000	58,284,249	5,559	3,561
Cash in banks				
Rupiah				
PT Bank Negara Indonesia (Persero) Tbk	3,745,700,851	619,825,594	257,048	37,871
PT Bank Central Asia Tbk	133,433,973	94,803,222	9,157	5,792
PT Bank Mandiri (Persero) Tbk	-	9,165,158	-	560
PT Bank BPD Bali	1,390,337	-	95	-
US dollars				
PT Bank Negara Indonesia (Persero)Tbk	512,719,819	132,513,943	35,185	8,096
Total	**4,474,244,980**	**914,592,166**	**307,044**	**55,880**

As of March 31, 2021 and 2020, none of the Company's cash and cash equivalents are restricted in use or used as collateral.

5. TRADE RECEIVABLES - THIRD PARTIES

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
City ledger	-	1,204,428,279	-	73,589
Guest ledger	-	-	-	-
Total	**-**	**1,204,428,279**	**-**	**73,589**

The aging analysis of trade receivables - third parties is as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Current	-	835,364,775	-	51,040
Overdue :				
1-30 days	-	317,879,881	-	19,422
31- 60 days	-	26,060,672	-	1,592
Over 60 days	-	25,122,951	-	1,535
Total	**-**	**1,204,428,279**	**-**	**73,589**

Based on the review of the status of the individual receivable accounts at the end of the reporting period, management believes that all of the above trade receivables are fully collectible; hence, no allowance for impairment was provided as of March 31, 2020.

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

6. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company entered into transactions with related parties. Details of transactions and balances with related parties are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Due from related parties:				
Current:				
PT Waka Oberoi Indonesia	-	1,649,492,003	-	100,782
Non-current:				
PT Waka Gae Selaras	3,570,140,000	4,009,915,000	245,000	245,000
EIH International Ltd	-	2,963,850,929	-	181,087
EIH Holdings Ltd	-	1,743,445,574	-	106,522
Total	**3,570,140,000**	**8,717,211,503**	**245,000**	**532,609**
Other current financial assets	-	7,610,655,000	-	465,000
Other payables:				
EIH Holdings Ltd	-	942,403,149	-	57,579
Due to hotel operator: (Note 14)				
EIH Holdings Ltd	-	52,450,915	-	3,205
Due to a shareholder				
EIH Holdings Ltd	22,047,436,000	-	1,513,000	-

Salaries and wages of the Company's key management personnel amounted to Rp624,771,953 (US$42,138) and Rp1,329,258,169 (US$92,781) in 2021 and 2020, respectively (unaudited).

On various dates from January to March 2021, the Company received non-interest bearing cash advances from EIH Holdings Ltd amounting to a total of US$1,513,000 (Rp22,047,436,000) to support the operational needs of the Company for the year and in relation to the upcoming reopening of the hotel operations slated in the second quarter of the year 2022 operations.

On March 23, 2020, EIH Holdings Ltd transferred cash amounting to US$465,000 (Rp7,610,655,000) as payments on behalf of PT Waka Oberoi Indonesia for amounts owed to the Company. The fund transfer was subsequently debited to the Company's cash in bank account on April 3, 2020; hence, the amount was presented as funds in transit under "Other current financial assets" account in the statement of financial position as of March 31, 2020.

Nature of relationship and types of transaction with related parties are as follows:

No.	Related Parties	Nature of Relationship	Types of Transaction
a.	PT Waka Gae Selaras	Shareholder	Advances
b.	EIH International Ltd	Shareholder	Advances and operating expenses
c.	EIH Holdings Ltd	Shareholder	Advances and operating expenses
d.	PT Waka Oberoi Indonesia	Under Common Control	Intercompany advances and share in proceeds from sale of vacation packages

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

7. 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	1,392,746,005	1,359,237,330	95,577	83,047
Beverages	744,818,550	904,107,193	51,113	55,240
Food	381,759,226	660,927,534	26,198	40,382
Tobacco	9,749,168	9,749,168	669	595
Total	**2,529,072,949**	**2,934,021,225**	**173,557**	**179,264**

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.

8. PREPAYMENTS AND ADVANCES

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Prepaid expenses - insurance	1,291,311,758	2,935,215,332	88,616	179,337
Prepaid expenses - others	121,774,643	521,421,413	8,356	31,858
Prepaid deferred cost of land rights	76,729,970	76,729,970	5,266	4,688
Advance on purchase	72,873,016	188,301,131	5,001	11,506
Total	**1,562,689,387**	**3,721,667,846**	**107,239**	**227,389**

9. FIXED ASSETS - NET

The details of fixed assets are as follows:

	Indonesian Rupiah			
		Year Ended March 31, 2021		
	Beginning Balance	Additions	Deductions	Ending Balance
Cost				
Land	94,854,375	-	-	94,854,375
Buildings	19,993,372,450	138,050,000	-	20,131,422,450
Rights-of-use assets (Note 18)	43,929,840,610	-	-	43,929,840,610
Structures and improvements	12,188,667,201	-	-	12,188,667,201
Machinery and equipment	7,901,234,082	-	-	7,901,234,082
Furniture, fixtures and equipment	27,787,817,447	-	-	27,787,817,447
Motor vehicles	2,237,675,280	-	-	2,237,675,280
Construction in progress	5,734,851,203	263,154,100	-	5,998,005,303
Total Cost	119,868,312,648	401,204,100	-	120,269,516,748

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

9. FIXED ASSETS - NET (continued)

The details of fixed assets are as follows: (continued)

	Indonesian Rupiah			
	Beginning Balance	Year Ended March 31, 2021 Additions	Deductions	Ending Balance
Accumulated Depreciation				
Buildings	8,598,907,429	829,722,230	-	9,428,629,659
Rights-of-use assets (Note 18)	1,136,997,994	1,136,997,994	-	2,273,995,988
Structures and improvements	8,614,320,441	667,000,358	-	9,281,320,799
Machinery and equipment	6,202,790,869	422,774,181	-	6,625,565,050
Furniture, fixtures and equipment	25,681,577,445	959,388,371	-	26,640,965,816
Motor vehicles	1,170,730,280	210,830,000	-	1,381,560,280
Total Accumulated Depreciation	51,405,324,458	4,226,713,134	-	55,632,037,592
Net Book Value	**68,462,988,190**			**64,637,479,156**

	Indonesian Rupiah			
	Beginning Balance	Year Ended March 31, 2020 Additions	Deductions	Ending Balance
Cost				
Land	94,854,375	-	-	94,854,375
Buildings	19,113,684,925	879,687,525	-	19,993,372,450
Rights-of-use assets (Note 18)	-	44,186,840,610	-	44,186,840,610
Structures and improvements	12,188,667,201	-	-	12,188,667,201
Machinery and equipment	7,455,628,720	445,605,362	-	7,901,234,082
Furniture, fixtures and equipment	27,619,929,450	167,887,997	-	27,787,817,447
Motor vehicles	1,694,275,280	543,400,000	(257,000,000)	1,980,675,280
Construction in progress	5,881,942,178	1,173,053,337	(1,320,144,312)	5,734,851,203
Total Cost	74,048,982,129	47,396,474,831	(1,577,144,312)	119,868,312,648
Accumulated Depreciation				
Buildings	7,800,776,381	798,131,048	-	8,598,907,429
Rights-of-use assets (Note 18)	-	1,136,997,994	-	1,136,997,994
Structures and improvements	7,946,037,033	668,283,408	-	8,614,320,441
Machinery and equipment	5,717,560,583	485,230,286	-	6,202,790,869
Furniture, fixtures and equipment	24,453,214,015	1,228,363,430	-	25,681,577,445
Motor vehicles	1,262,183,614	165,546,666	(257,000,000)	1,170,730,280
Total Accumulated Depreciation	47,179,771,626	4,482,552,832	(257,000,000)	51,405,324,458
Net Book Value	**26,869,210,503**			**68,462,988,190**

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

9. FIXED ASSETS - NET (continued)

The details of fixed assets are as follows: (continued)

Translations into US Dollar - Unaudited (Note 2n)

	Beginning Balance	Year Ended March 31, 2021		Translation Adjustment	Ending Balance
		Additions	Deductions		
Cost					
Land	5,795	-	-	713	6,508
Buildings	1,221,567	9,820	-	150,131	1,381,518
Rights-of-use assets (Note 18)	2,699,752	-	-	332,559	3,032,311
Structures and improvements	744,710	-	-	91,733	836,443
Machinery and equipment	482,754	-	-	59,466	542,220
Furniture, fixtures and equipment	1,697,795	-	-	209,137	1,906,932
Motor vehicles	121,016	-	-	14,906	135,922
Construction in progress	350,391	17,517	-	43,704	411,612
Total Cost	7,323,780	27,337	-	902,349	8,253,466
Accumulated Depreciation					
Buildings	525,381	57,197	-	64,459	647,037
Rights-use-of assets (Note 18)	69,468	78,379	-	8,205	156,052
Structures and improvements	526,323	45,980	-	64,626	636,929
Machinery and equipment	378,982	29,144	-	46,552	454,678
Furniture, fixtures and equipment	1,569,107	66,136	-	192,987	1,828,230
Motor vehicles	71,530	14,534	-	8,745	94,809
Total Accumulated Depreciation	3,140,791	291,370	-	385,574	3,817,735
Net Book Value	**4,182,989**				**4,435,731**

Translations into US Dollar - Unaudited (Note 2n)

	Beginning Balance	Year Ended March 31, 2020		Translation Adjustment	Ending Balance
		Additions	Deductions		
Cost					
Land	6,659	-	-	(864)	5,795
Buildings	1,341,876	58,745	-	(179,054)	1,221,567
Rights-of-use assets (Note 18)	-	3,104,882	-	(405,130)	2,699,752
Structures and improvements	855,705	-	-	(110,995)	744,710
Machinery and equipment	523,423	32,260	-	(72,929)	482,754
Furniture, fixtures and equipment	1,939,057	11,860	-	(253,122)	1,697,795
Motor vehicles	118,947	38,495	(28,186)	(8,240)	121,016
Construction in progress	412,942	83,603	(94,376)	(51,778)	350,391
Total Cost	5,198,609	3,329,845	(122,562)	(1,082,112)	7,323,780
Accumulated Depreciation					
Buildings	547,654	55,974	-	(78,247)	525,381
Rights-use-of assets (Note 18)	-	80,561	-	(11,093)	69,468
Structures and improvements	557,851	46,865	-	(78,393)	526,323
Machinery and equipment	401,401	34,028	-	(56,447)	378,982
Furniture, fixtures and equipment	1,716,737	86,141	-	(233,771)	1,569,107
Motor vehicles	88,613	11,609	(28,186)	(506)	71,530
Total Accumulated Depreciation	3,312,256	315,178	(28,186)	(458,457)	3,140,791
Net Book Value	**1,886,353**				**4,182,989**

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

9. FIXED ASSETS - NET (continued)

Depreciation and amortization charged to operations amounted to Rp4,907,243,104 (US$338,292) and Rp5,163,082,803 (US$362,897) for the years ended March 31, 2021 and 2020, respectively. Depreciation arising from fixed assets amounted to Rp4,226,713,134 (US$291,370) and Rp4,482,552,832 (US$315,178) in 2021 and 2020, respectively. Depreciation arising from tax amnesty assets amounted to Rp603,800,000 (US$41,656) and Rp603,800,000 (US$42,339) in 2021 and 2020 (Note 12c) while amortization arising from deferred cost of landrights amounted to Rp76,729,970 (US$5,266) and Rp76,729,970 (US$5,380) in 2021 and 2020, respectively (Note 10).

The Company's land properties are covered by landrights ownership or Hak Guna Bangunan (HGB) certificate No. 31 which is valid up to 2019. In January 2019, the Company had obtained certificate No.53 which pertains to the extension of the HGB. Based on the new certificate, the HGB is valid until 2039.

Fixed assets and inventories are covered by insurance against losses from fire and other risks under blanket policies amounting to US$48,450,000 (Rp706,013,400,000) and US$48,450,000 (Rp792,981,150,000) as of March 31, 2021 and 2020, respectively. The management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

As of March 31, 2021 and 2020, the Company's management believes that there is no impairment in the assets value as contemplated in PSAK No. 48.

10. OTHER NON-CURRENT ASSETS

This account consists of the following:

	Indonesian Rupiah		Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Deferred cost of landrights - net	1,285,226,998	1,361,956,837	88,197	83,214
Security deposits	-	13,650,000	-	834
Total	**1,285,226,998**	**1,375,606,837**	**88,197**	**84,048**

11. TRADE PAYABLES - THIRD PARTIES

This account consists mainly of liabilities to the Hotel's suppliers of goods and services amounting to Rp981,086,547 (US$67,327) and Rp2,532,107,623 (US$154,708) as of March 31, 2021 and 2020, respectively.

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

12. 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	-	191,322,301	-	11,690
Income tax				
Article 21	71,495,373	149,110,692	4,906	9,110
Article 23	16,900,135	43,497,604	1,160	2,658
Article 25	-	257,964,145	-	15,761
Value added tax	100,043,432	129,980,345	6,866	7,941
Total	**188,438,940**	**771,875,087**	**12,932**	**47,160**

b. The reconciliation between the income tax expense derived by multiplying the loss before income tax by the applicable tax rate, and income tax expense (benefit) - net 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)	
	March 31,		March 31,	
	2021	2020	2021	2020
Loss before income taxes	(26,473,937,850)	(8,432,437,345)	(2,056,126)	(290,448)
Tax expense at the applicable rate	(5,824,266,327)	(2,108,109,337)	(452,348)	(72,612)
Tax effect on permanent differences:				
Tax effect on changes in tax rate	9,329,576,683	(3,385,431,234)	640,240	(236,948)
Interest income already subjected to final tax	-	(12,872,355)	-	(901)
Non-deductible expenses	940,548,548	487,673,145	64,545	34,132
Translation adjustments	-	-	45,212	(39,174)
Income tax expense (benefit)				
Current year	4,445,858,904	(5,018,739,781)	297,649	(315,503)
Prior year	(1,669,413,416)	(276,652,511)	(114,563)	(19,363)
Total	**2,776,445,488**	**(5,295,392,292)**	**183,086**	**(334,866)**

Estimated claims for tax refund as of March 31, 2021 and 2020 consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Estimated claims for tax refund				
2021	1,763,956,071	-	142,895	-
2020	2,902,438,492	2,902,438,492	177,335	177,335
Total	**4,666,394,563**	**2,902,438,492**	**320,230**	**177,335**

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

12. TAXATION

b. The reconciliation between the income tax expense derived by multiplying the income (loss) before income tax by the applicable tax rate, and income tax expense (benefit) - net as shown in the statement of profit or loss and other comprehensive income is as follows: (continued)

In August 2018, the Company received tax assessment letter from the Tax Office related to the underpayment of income tax articles 21, 23, 25, and 26 for the fiscal year 2017 for a total underpayment of Rp1,692,795,502 (US$117,563). The settlement of underpayment related to articles 21, 23 and 26 in September 2018 was presented as part of "General and administrative expenses" whereas the settlement of underpayment related to article 25 in September 2018 was presented as part of "Income tax expense - net" in the statement of profit or loss and other comprehensive income.

The Company has filed an objection letter to the Tax Office dated November 26, 2018 related to the underpayment of corporate income tax. Based on the objection letter, the Company stated that they are in overpayment position of article 25 amounting to Rp1,480,327,843 (US$103,926) instead of underpayment of Rp698,607,276 (US$49,402). On September 30, 2019, the Tax Office partially approved the management objection wherein the objection related to the entertainment fiscal correction totaling to Rp1,106,610,443 (US$78,073) was approved while the objection on promotional expenses totaling to Rp6,677,653,663 (US$471,120) was rejected by the Tax Office. Thus, the total underpayment was reduced from Rp698,607,276 (US$49,402) to Rp283,628,360 (US$20,010) including the interest which was presented under "Income tax expense - net" in the statement of profit or loss and other comprehensive income.

On January 14, 2020, the Company filed a request to the Tax Office to appeal on the correction of promotional expense. In response, the Tax Office issued the “Surat Uraian Banding” dated April 28, 2020 stating that the Tax Office is suggesting Tax Court to reject the Company request to appeal. The Company had filed its rebuttal to the “Surat Uraian Banding” dated August 13, 2020 and closing statement to Tax Court on September 25, 2020. On February 17, 2021, the Directorate General Tax approved the appeal letter from the Company, related to the promotional expenses totaling to US$471,120 (Rp6,677,653,663). Based on the results of the hearing of the Tax Court Decision, the total amount to be refunded by the Tax Office is Rp1,763,956,203 (25% of Rp6,677,653,663) plus tax penalty which has been paid in full in tax audit level amounting to Rp94,542,787.

c. 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 paintings worth Rp3,019,000,000 (US$226,635) which are separately presented as part of “Non-current assets”. The Company received the approval for tax amnesty program application from the Ministry of Finance in its decision letter dated April 28, 2018.

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
Net book value at beginning of year	1,257,916,663	1,861,716,663	76,857	130,702
Depreciation during the year (Note 9)	(603,800,000)	(603,800,000)	(41,656)	(42,339)
Translation adjustment	-	-	9,688	(11,506)
Net book value at end of year	**654,116,663**	**1,257,916,663**	**44,889**	**76,857**

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

12. TAXATION (continued)

d. 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 -				
Employee benefits liability	3,581,257,519	(2,037,591,064)	(45,600,945)	1,498,065,510
Reserve for replacement of furniture, fixtures and equipment	3,030,219,836	(1,341,748,219)	-	1,688,471,617
Interest expense	1,623,360,640	(866,796,033)	-	756,564,607
Loss on foreign exchange	1,271,070,601	(1,071,465,687)	-	199,604,914
Total deferred tax assets	9,505,908,596	(5,317,601,003)	(45,600,945)	4,142,706,648
Deferred tax liabilities				
Depreciation and amortization - net	(144,553,812)	183,287,545	-	38,733,733
Lease depreciation	(571,793,994)	688,454,554	-	116,660,560
Net deferred tax assets	**8,789,560,790**	**(4,445,858,904)**	**(45,600,945)**	**4,298,100,941**

	Indonesian Rupiah			
		Deferred tax Benefit (Expense) Credited (Charged) to		
	April 1, 2019	**Profit or Loss**	**Other Comprehensive Income**	**March 31, 2020**
Deferred tax assets				
Employee benefits liability	2,567,043,618	1,007,260,273	6,953,628	3,581,257,519
Reserve for replacement of furniture, fixtures and equipment	1,649,903,451	1,380,316,385	-	3,030,219,836
Interest expense	-	1,623,360,640	-	1,623,360,640
Loss on foreign exchange	-	1,271,070,601	-	1,271,070,601
Total deferred tax assets	4,216,947,069	5,282,007,899	6,953,628	9,505,908,596
Deferred tax liabilities				
Depreciation and amortization - net	(648,759,068)	504,205,256	-	(144,553,812)
Lease depreciation	-	(571,793,994)	-	(571,793,994)
Net deferred tax assets	**3,568,188,001**	**5,214,419,161**	**6,953,628**	**8,789,560,790**

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

12. TAXATION (continued)

d. 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					
Employee benefits liability	280,500	(139,944)	(3,132)	-	137,424
Reserve for replacement of furniture, fixtures and equipment	224,472	(92,153)	-	-	132,319
Interest expense	113,624	(59,533)	-	-	54,091
Total deferred tax assets	618,596	(291,630)	(3,132)	-	323,834
Deferred tax liabilities					
Depreciation and amortization - net	(32,024)	12,588	-	-	(19,436)
Lease liability	(40,021)	47,284	-	-	7,263
Translation adjustment	(9,522)		-	(7,183)	(16,705)
Net deferred tax assets	**537,029**	**(231,758)**	**(3,132)**	**(7,183)**	**294,956**

	Translations into US dollar - Unaudited (Note 2n)				
		Deferred tax Benefit (Expense) Credited (Charged) to			
	April 1, 2019	Profit or Loss	Other Comprehensive Income	Translation adjustment	March 31, 2020
Deferred tax assets					
Employee benefits liability	210,908	69,105	487	-	280,500
Reserve for replacement of furniture, fixtures and equipment	127,526	96,946	-	-	224,472
Interest expense	-	113,624	-	-	113,624
Total deferred tax assets	338,434	279,675	487	-	618,596
Deferred tax liabilities					
Depreciation and amortization - net	(67,305)	35,281	-	-	(32,024)
Lease liability	-	(40,021)	-	-	(40,021)
Translation adjustment	(20,624)	-	-	11,102	(9,522)
Net deferred tax assets	**250,505**	**274,935**	**487**	**11,102**	**537,029**

13. ACCRUED EXPENSES

The details of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Salaries and employee benefits	1,659,299,639	1,504,639,639	113,869	91,931
Tax consultant fees	1,063,137,898	943,114,418	72,958	57,623
Audit and consultant fees	428,092,794	647,431,995	29,378	39,557
Heat, light and power	192,363,621	641,403,215	13,201	39,189
Others	502,283,167	1,468,506,463	34,468	89,724
Total	**3,845,177,119**	**5,205,095,730**	**263,874**	**318,024**

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

14. DUE TO HOTEL OPERATOR

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	52,450,915	101,887,334	3,599	7,153
Management fee - 12.5% of hotel Gross operating profit (Note 27a)	-	1,520,731,529	-	86,821
Payments	(52,450,915)	(1,285,336,106)	(3,599)	(90,769)
Unrealized loss (gain) on foreign exchange - net	-	(284,831,842)	-	-
Balance at end of year	-	**52,450,915**	-	**3,205**

15. 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)	
	March 31,		March 31,	
	2021	2020	2021	2020
Balance at beginning of year	8,439,766,917	6,599,613,796	515,658	463,326
Provisions during the year (Note 24)	-	2,593,725,879	-	183,949
Utilization of reserve	(42,992,770)	(753,572,758)	(2,950)	(53,635)
Translation adjustment	-	-	63,519	(77,982)
Balance at end of year	**8,396,774,147**	**8,439,766,917**	**576,227**	**515,658**

16. OTHER CURRENT LIABILITIES

This account consists of :

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Deposits from customers	3,169,023,832	5,872,373,856	217,473	358,794
Service charge	-	170,318,920	-	10,406
Others	77,750,148	1,330,335,895	5,336	81,276
Total	**3,246,773,980**	**7,373,028,671**	**222,809**	**450,476**

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

17. 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	: 7.95% in 2021 and 8.73% in 2020
Annual salary increase	: 8.5% in 2021 and 2020
Mortality	: TMI IV in 2021 and TMI III in 2020
Retirement age	: 57 years in 2021 and 55 years in 2020
Disability rate	: 5% of mortality table TMI IV in 2021 and TMI III in 2020

a. Details of post-employment benefits expense:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Past Service Cost	(1,648,006,275)	-	(113,187)	-
Current service cost	485,612,591	950,122,404	33,353	66,499
Interest cost	571,652,073	714,004,955	39,262	43,625
Total post-employee benefits expense	**(590,741,611)**	**1,664,127,359**	**(40,572)**	**110,124**

b. Details of post-employment 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
Present value of defined benefits obligation	**7,398,121,351**	**9,902,688,266**	**507,694**	**605,040**

17. LONG-TERM EMPLOYEE BENEFITS LIABILITY (continued)

c. Movements in post-employment benefits liability are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Beginning balance	9,902,688,266	10,268,054,464	605,040	720,869
Provision during the year - net	(590,741,611)	1,664,127,359	(40,572)	110,124
Payment during te year	(1,706,548,279)	(2,061,100,959)	(117,208)	(144,257)
Actuarial loss (gain) from				
Experience adjustment	(903,098,319)	(121,292,840)	(62,026)	(8,489)
Demographic assumption	(2,202,442)	-	(151)	
Change in financial assumption	698,023,736	152,900,242	47,941	10,702
Translation adjustment	-	-	74,670	(83,909)
Employee benefits liability	**7,398,121,351**	**9,902,688,266**	**507,694**	**605,040**

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

Within the next 12 months (the next annual reporting year)	:	1,166,400,427
Between 2 and 5 years	:	2,208,012,442
Between 5 and 10 years	:	5,482,414,402
Beyond 10 years	:	110,162,252,248

The average duration of the long-term employee benefits liability is 18.86 years.

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%	(649,020,763)	745,233,205	(44,539)	51,141
Decrease by 1%	761,351,037	(647,523,673)	52,248	(44,436)

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

18. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES

The Company has entered into lease contracts of land in its operations wherein the lease term is valid from 2019 to 2057. The Company also has certain lease of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rights-of-use assets represent assets from lease contracts for land valid until 2057 amounting to Rp43,929,840 (US$3,032,311) and Rp44,186,840,610 (US$3,104,882) with accumulated depreciation amounting to Rp2,273,995,988 (US$78,379) and Rp1,136,997,994 (US$80,561) as of March 31, 2021 and 2020, respectively. There is no transfer of ownership option for the lease. As of March 31, 2021 and 2020, the depreciation of the rights-of-use assets amounted to Rp1,136,997,994 (US$78,739) and Rp1,136,997,994 (US$80,561), respectively, and presented as "Depreciation expense" in the statement of profit and loss and other comprehensive income.

The following are the amounts recognized in statement of profit or loss and other comprehensive income:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Interest expense on lease liabilities	1,838,274,325	1,336,601,481	127,611	93,549
Depreciation expense of rights-of-use assets	1,136,997,994	1,136,997,994	78,379	80,561
Expense related to short-term leases	86,532,964	303,662,795	5,943	21,254
Total	**3,061,805,283**	**2,777,262,270**	**211,933**	**195,364**

The rollforward analysis of lease liabilities are as follows:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Beginning balance	44,348,974,608	38,255,757,280	2,709,658	2,688,199
Interest expense	1,838,274,325	1,336,601,481	127,611	93,549
Payments	(267,687,961)	(1,020,977,797)	(17,454)	(72,090)
Foreign exchange loss (gains)	(4,829,216,011)	5,777,593,644	-	-
Total	**41,090,344,961**	**44,348,974,608**	**2,819,815**	**2,709,658**
Less current maturities portion	(4,357,567,847)	(1,605,168,539)	(299,037)	(98,073)
Total	**36,732,777,114**	**42,743,806,069**	**2,520,778**	**2,611,585**

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

18. RIGHTS-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Shown below is the maturity analysis of the undiscounted lease payments:

	March 31, 2021,	
	Indonesian Rupiah	Translations into U.S. Dollar - Unaudited (Note 2n)
1 year	1,564,826,460	107,385
More than 1 years to 2 years	3,129,652,920	214,771
More than 2 years to 3 years	3,129,652,920	214,771
More than 3 years to 4 years	3,442,617,404	236,248
More than 5 years	86,835,547,311	5,959,068
Total	**98,102,297,015**	**6,732,243**

19. FINANCIAL ASSETS AND LIABILITIES

The following table sets forth the estimated fair values, which are equal to the carrying amounts, of the financial assets and financial liabilities of the Company:

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	March 31,		March 31,	
	2021	2020	2021	2020
Financial Assets – Financial Assets Measured at Amortized Cost				
Cash on hand and in banks	4,474,244,980	914,592,166	307,044	55,880
Trade receivables - third parties	-	1,204,428,279	-	73,589
Other receivables - third parties	-	95,563,795	-	5,839
Other current financial assets	144,869,127	7,684,800,076	9,942	469,530
Due from related parties	3,570,140,000	10,366,703,506	245,000	633,391
Other non-current assets - security deposits	-	13,650,000	-	834
Total Financial Assets	**8,189,254,107**	**20,279,737,822**	**561,986**	**1,239,063**
Financial Liabilities - Financial Liabilities Measured at Amortized Cost				
Trade payables - third parties	981,086,547	2,532,107,623	67,327	154,708
Other payables	1,768,184	1,369,179,254	121	83,654
Accrued expenses	3,845,177,119	5,205,095,730	263,874	318,024
Due to hotel operator	-	52,450,915	-	3,205
Due to a shareholder	22,047,436,000	-	1,513,000	-
Lease liability	41,090,344,961	44,348,974,608	2,819,815	2,709,658
Other current financial liabilities - deposits from customers	3,169,023,832	5,872,373,856	217,473	358,794
Total Financial Liabilities	**71,134,836,643**	**59,380,181,986**	**4,881,610**	**3,628,043**

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.

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

19. FINANCIAL ASSETS AND LIABILITIES (continued)

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 and cash equivalents, trade receivables, other receivables, other current financial assets, due from related parties, trade payables, other payables, accrued expenses, due to hotel operator, other current financial liabilities) and due to a shareholder .

  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.

Non-current financial liability:

- Lease liability

  Fair value of the lease liabilities is based on the present value of expected future cash flows using the appropriate discount rates.

20. CAPITAL STOCK

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

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount	Translations into U.S. Dollar - Unaudited (Note 2n)
EIH Holdings Ltd	5,412	48.89	541,200,000	268,289
PT Waka Gae Selaras	3,321	30.00	332,100,000	252,064
EIH International Ltd	2,337	21.11	233,700,000	139,250
Total	**11,070**	**100.00**	**1,107,000,000**	**659,603**

Based on the minutes of the Company's annual general meetings of shareholders, the shareholders resolved to, among others, declare cash dividends as follows:

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

21. 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				
Lanai	-	41,980,643,804	-	2,977,956
Villa	-	18,899,957,506	-	1,339,566
Total Room Department	**-**	**60,880,601,310**	**-**	**4,317,522**
Food and Beverages Department				
Food	-	14,236,965,380	-	1,010,260
Beverage	-	5,741,883,817	-	406,860
Others	-	188,542,790	-	13,416
Total Food and Beverages Department	**-**	**20,167,391,987**	**-**	**1,430,536**
Other Operating Departments				
Health spa	-	2,138,600,462	-	151,718
Boutique	-	1,481,150,634	-	105,061
Others	-	1,789,784,926	-	126,766
Total Other Operating Departments	**-**	**5,409,536,022**	**-**	**383,545**
Total Departmental Revenues	**-**	**86,457,529,319**	**-**	**6,131,603**

In 2020, the average hotel room occupancy rate was 52.2% (unaudited).

22. 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 Beverages	**-**	**5,876,711,190**	**-**	**416,851**
Payroll and Related Expenses				
Salaries and wages	5,497,361,678	10,620,508,644	417,406	860,884
Employee benefits	3,010,189,742	6,700,095,970	166,640	366,060
Total Payroll and Related Expenses	**8,507,551,420**	**17,320,604,614**	**584,046**	**1,226,944**

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

22. COST OF GOODS SOLD AND SERVICES (continued)

	Indonesian Rupiah		Translations into U.S. Dollar - Unaudited (Note 2n)	
	Year Ended March 31,		Year Ended March 31,	
	2021	2020	2021	2020
Other Expenses				
Security	896,567,315	1,561,831,138	61,448	110,626
Cable television and music	85,914,000	181,422,697	5,909	12,851
Cleaning and guest supplies	69,406,028	2,425,216,335	6,657	171,869
Travel agents	54,021,375	5,362,440,181	3,774	380,192
Printing and stationery	53,901,714	459,033,758	3,700	32,419
Linens and uniforms	20,157,000	695,942,302	1,366	49,327
Kitchen fuel	6,987,500	233,601,123	490	16,543
Laundry	5,278,827	863,006,318	341	61,209
Transportation and travel	3,510,127	267,869,870	243	18,993
Decoration	2,520,500	655,872,014	169	46,509
Consultant fees	1,293,536	201,676,277	84	14,304
Welcome drinks, fruit baskets and amenities	97,000	492,141,569	7	34,896
Mineral water and ice	36,500	188,407,867	2	13,360
Boutique	-	997,776,815	-	70,760
Cultural music and shows	-	642,930,000	-	45,539
Guest newspaper	-	168,052,210	-	11,911
Others (each below Rp100 million)	382,444,773	1,647,190,690	24,710	117,112
Total Other Expenses	**1,582,136,195**	**17,044,471,164**	**108,900**	**1,208,420**
Cost of Goods Sold and Services	**10,089,687,615**	**40,241,786,968**	**692,946**	**2,852,215**

23. GENERAL AND ADMINISTRATIVE EXPENSES

The details of general and administrative 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	3,206,246,044	6,356,177,561	220,309	437,696
Professional fees	384,681,034	1,443,956,803	26,436	115,446
Data processing	248,132,173	486,106,203	17,058	34,436
Telephone and communication	110,166,089	23,587,768	7,563	1,865
Transportation and traveling	68,625,417	446,905,934	4,826	31,659
Commission on credit cards	8,587,974	1,664,609,355	592	118,155
Executive	-	126,166,897	-	8,938
Others	364,022,158	1,080,646,898	24,965	75,640
Total	**4,390,460,889**	**11,628,157,419**	**301,749**	**823,835**

(Expressed in Indonesian Rupiah, unless otherwise stated, with Translations into United States Dollar)

24. 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	1,521,608,785	5,398,473,918	104,712	390,844
Salaries and wages	682,784,425	1,349,695,649	46,881	95,608
Water	872,508,976	2,410,608,899	59,672	161,641
Electricity	693,597,958	2,678,838,790	47,549	189,980
Gas	15,434,843	85,150,144	1,073	6,048
Telephone	6,569,026	8,887,690	449	630
Fuel	2,203,128	4,442,047	153	314
Light bulbs	1,226,118	112,859,256	85	8,014
Laundry	247,880	24,290,404	16	1,722
Provision for replacement of furniture, fixtures and equipment (Note 15)	-	2,593,725,879	-	183,949
Uniforms	-	29,536,824	-	2,089
Others	8,827,112	25,055,010	607	1,776
Total	**3,805,008,251**	**14,721,564,510**	**261,197**	**1,042,615**

25. MARKETING AND SALES PROMOTION EXPENSES

The details of marketing and sales promotion 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	491,486,649	1,065,104,341	33,768	75,443
Sales representation	284,010,445	1,574,809,053	19,839	110,999
Advertising and promotion	156,926,722	1,147,083,933	10,904	81,207
Public relations	80,201,916	747,065,201	5,586	52,592
Telephone and communication	13,307,456	26,898,692	934	1,902
Printing and stationery	7,950,342	52,974,500	279	3,755
Marketing and sales promotion (Note 26a)	-	2,593,725,879	-	183,948
Transportation and travel	-	176,608,334	17	12,679
Others	17,938,116	315,898,258	1,526	22,198
Total	**1,051,821,646**	**7,700,168,191**	**72,853**	**544,723**

26. 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 Rp1,931,871,601 (US$135,143) 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.

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

27. SIGNIFICANT AGREEMENTS AND CONTINGENCY

a. Hotel Operator 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 22, 2000, the Company signed a Renewal Agreement whereby the original term was extended until February 1, 2032. Following the change in ownership on September 27, 2018 (Note 20) from EIH Management Services B.V. to EIH Holdings Ltd, 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 and effective.

The Operator has automatic and irrevocable options to extend the Agreement for another 10 or 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.

b. Legal Claim from PT Inter Sport Marketing (ISM)

In 2015, the Company was sued by PT Inter Sport Marketing (ISM) related to the airing of live broadcast of FIFA World Cup 2014 in the Company’s commercial area without any license from ISM (which claimed to hold the official license for live broadcasting of FIFA World Cup 2014). In April 2018, ISM filed its claim to Surabaya Commercial court against the Company. Based on claim filed to the court, the Company was demanded to pay a compensation to ISM for a total amount of Rp203,700,000,000.

In September 12, 2018, the court has declared that PT ISM is granted a compensation of Rp500,000,000. Subsequently, the Company has filed memorial cassation dated October 8, 2018 to the Surabaya Commercial court. On October 24, 2018, the Company has received its counter memorial cassation from PT ISM stating that they disagree with the compensation awarded. In 2020, the Supreme Court has rendered a judgment that awards ISM with a compensation of Rp100,000,000 and nothing else. The Company has recognized a provision related to the compensation.

28. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Information concerning monetary assets and liabilities denominated in foreign currencies as of March 31, 2021 and their rupiah equivalents converted using the middle exchange rates that were published by Bank Indonesia follows:

	Amount in Foreign Currencies		Rupiah Equivalents
Assets			
Cash and cash equivalents	US$	35,185	512,719,819
Due from related parties	US$	245,000	3,570,140,000
Other current assets	US$	9,942	144,869,127
Total			4,227,728,946

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

28. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES (continued)

	Amount in Foreign Currencies		Rupiah Equivalents
Liabilities			
Due to a shareholder	US$	1,513,000	22,047,436,000
Lease liabilities	US$	2,690,845	41,090,344,961
Total			63,137,780,961
Net Liabilities			**58,910,052,015**

The translation of the foreign currency liabilities, net of foreign currency assets, should not be construed as a representation that these foreign currency assets and liabilities have been, could have been, or could in the future be, converted into rupiah at the prevailing exchange rates of the rupiah as of March 31, 2021 or at any other rates of exchange.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments are foreign currency risk, credit risk and liquidity risk. The management reviews and approves policies for managing each of these risks, which are described in more details as follows:

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. As the Company's reporting currency is rupiah, it is exposed to exchange rate fluctuations primarily from its trade receivables from revenues in foreign currencies.

The Company does not have any formal hedging policy for foreign exchange exposure since it is not considered as necessary. However, the Company maintains transactions and balances in foreign currencies other than rupiah in connection with regular operations at a minimum level.

b. Credit risk

Credit risk is the risk that the Company will incur loss arising from its customers or counterparties that fail to discharge their contractual obligations. There are no significant concentrations of credit risk. 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 is equal to the carrying values as disclosed in Note 19.

c. Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash deemed adequate to finance the Company's operations and capital expenditures, service its maturing debts and to mitigate the effects of fluctuation in cash flows.

The Company also regularly evaluates its projected and actual cash flows and continuously assesses conditions in the financial markets to maintain its payable and receivable days' stability.

Except for the long-term employee benefit liability and lease liability, all of the Company's liabilities will be due in one year. The Company has current ratio at 0.20 and 0.66 as of March 31, 2021 and 2020, respectively.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

For the year ended March 31, 2021, the Company has incurred total comprehensive loss of Rp29,088,707,258 (US$1,772,571) and its total current liabilities exceeded its total current assets by Rp34,354,146,321 (US$2,357,545) as at March 31, 2021. The Company has deficit of Rp1,861,477,203 (retained earnings of US$2,535,071) with a positive equity of Rp626,413,535 (US$42,986) as at March 31, 2020. The losses incurred were mainly due to the impact of novel coronavirus disease 2019 (COVID-19) during the entire fiscal year 2020-2021 whereby travel restrictions were imposed globally and by the local government of Bali.

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

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, UK and USA and also start of vaccination in Indonesia, there is hope that international borders restriction would be removed soon. The Company's 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.

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

In addition, EIH International, Ltd., the Company's ultimate parent company, and along with EIH Holdings, Ltd, which owns a combined 70% 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.

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.

30. 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.

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.

(Expressed in Indonesian Rupiah, unless otherwise stated,
with Translations into United States Dollar)

30. RECENT DEVELOPMENTS AFFECTING ACCOUNTING STANDARDS (continued)

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.

31. 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	34,265,000	150,055,000	2,438	10,675
Deduction to lease liability				
credited to due from related party	-	913,761,523	-	64,865
Initial recognition of lease liability	-	38,255,757,280	-	2,688,199

32. 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
Lease liability	44,348,974,608	(267,687,961)	(4,850,487,414)	1,859,545,728	41,090,344,961
Due to a shareholder	-	22,047,436,000	-	-	22,047,436,000
Total	**44,348,974,608**	**21,779,748,039**	**(4,850,487,414)**	**1,859,545,728**	**63,137,780,961**

	Year Ended March 31, 2020				
	Beginning Balance	Cash flows	Foreign Exchange	Others	Ending Balance
Lease liability	**-**	**(107,216,274)**	**5,777,593,644**	**38,678,597,238***	**44,348,974,608**

* Represents the present value of future lease payments as of April 1, 2019