

EIH MANAGEMENT SERVICES B.V.

BOARD

TMF Management B.V.

AUDITORS

Ernst & Young
Ernst & Young Building
121, King William Street
Adelaide SA 5000
Australia

REGISTERED OFFICE

Locatellikade 1
Parnassustoren
1076 AZ Amsterdam
The Netherlands

DIRECTORS' REPORT

DIRECTORS

The Director presents their report on the Company for the year ended 31 March 2011.

The name of the Company's Director in office during the year and until the date of this report is as follows.

TMF Management BV
Locatellikade 1
Parnassustoren
1076 AZ.Amsterdam
The Netherlands

The Director was in office for the entire year unless otherwise stated.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was investment and management.

OPERATING AND FINANCIAL REVIEW

The net profit of the Company for the year was €413,030 (2010: profit of €105,103) after providing for income tax of €Nil (2010: €Nil).

No significant change in the nature of these activities occurred during the year.

EVENTS AFTER THE BALANCE DATE

No material matters or circumstances have arisen since the end of the year that require disclosure in the financial statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no significant changes in state of affairs.

The results of the Company operations during the year have not, in the opinion of the Director, been affected by any item, transaction or event of a material or unusual nature.

RISK MANAGEMENT

The Company takes a proactive approach to risk management. The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the board.

DIVIDENDS

No dividends have been paid, declared or recommended during the preceding year ended 31 March 2011.

SHARE OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

AUDITORS INDEPENDENCE

A copy of the auditor's independence declaration is attached to this financial report.

DIRECTOR'S STATEMENT

In the opinion of the Director:

- (a) the statement of comprehensive income and statement of changes in equity is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 March 2011;
- (b) the statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2011; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Amsterdam
2 May, 2011

TMF Management B.V.
Director

Statement of Comprehensive Income for the year ended 31 March 2011

(Expressed in Euros)

	Note	31 March 2011 €	31 March 2010 €
Turnover	3	301,411	324,837
Interest Income		9	14
Total Income		<u>301,420</u>	<u>324,851</u>
Expenses			
Management fee expenses		228,078	278,288
Administration and other expenses		51,388	66,193
Unrealised foreign exchange gain		<u>(391,076)</u>	<u>(124,733)</u>
Total (income)/expenses		<u>(111,610)</u>	<u>219,748</u>
(Loss)/Profit before taxation		413,030	105,103
Taxation expense		<u>-</u>	<u>-</u>
(Loss)/Profit after taxation		413,030	105,103
Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income		<u>413,030</u>	<u>105,103</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 March 2011

(Expressed in Euros)

	Note	31 March 2011 €	31 March 2010 €
Non-Current Assets			
Investment in subsidiary	4	2,549,683	2,549,683
Investment in associate	4	7,632,706	7,632,706
Amount due from related parties	5	3,219,858	3,374,209
Total Non-Current Assets		<u>13,402,247</u>	<u>13,556,598</u>
Current Assets			
Cash and cash equivalents		89	6,665
Other receivables and prepayments		29,865	11,024
Total Current Assets		<u>29,954</u>	<u>17,689</u>
Total Assets		<u>13,432,201</u>	<u>13,574,287</u>
Current Liabilities			
Accruals		14,191	28,111
Amount due to related parties	6	335,501	341,169
Total Current Liabilities		<u>349,692</u>	<u>369,280</u>
Non-Current Liabilities			
Amounts due to shareholder	6	11,171,426	11,706,954
Total Non-Current Liabilities		<u>11,171,426</u>	<u>11,706,954</u>
Total Liabilities		<u>11,521,118</u>	<u>12,076,234</u>
Net Assets		<u>1,911,083</u>	<u>1,498,053</u>
Equity			
Issued Share Capital		18,200	18,200
Share Premium		375,000	375,000
Retained Earnings		1,517,883	1,104,853
Total Equity		<u>1,911,083</u>	<u>1,498,053</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 31 March 2011

(Expressed in Euros)

	Share Capital €	Retained earnings €	Total Equity €
As at 1 April 2010	393,200	1,104,853	1,498,053
Profit for year	–	413,030	413,030
Other Comprehensive Income	–	–	–
As at 31 March 2011	<u>393,200</u>	<u>1,517,883</u>	<u>1,911,083</u>
As at 1 April 2009	393,200	999,750	1,392,950
Profit for year	–	105,103	105,103
Other Comprehensive Income	–	–	–
As at 31 March 2010	<u>393,200</u>	<u>1,104,853</u>	<u>1,498,053</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 31 March 2011

(Expressed in Euros)

	31 March 2011	31 March 2010
	€	€
Cash Flows from Operating Activities		
(Loss)/Profit before taxation	413,030	105,103
<i>Adjustment for:</i>		
Interest income	-	(14)
Unrealised foreign currency loss	(391,076)	-
<i>(Increase)/Decrease in assets:</i>		
Decrease in receivables and prepayments	(18,841)	44,078
<i>(Decrease)/Increase in Liabilities:</i>		
Decrease in accruals	(13,920)	(150,677)
Cash generated from operations	(10,807)	(1,510)
Interest paid	-	-
VAT refund/(paid)	4,222	-
Net Cash Flows used in operating activities	(6,585)	(1,510)
Cash Flows from Investing Activities		
Interest received	9	14
Net cash flows from investing activities	9	14
Cash flows from financing activities	-	-
Net decrease in cash and cash equivalents	(6,576)	(1,496)
Cash and cash equivalents at beginning of year	6,665	8,161
Cash and cash equivalents at end of year	89	6,665

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 31 March 2011 (Expressed in Euro)

1. Corporate Information

The financial report of EIH Management Services B.V. (the "Company") for the year ended 31 March 2011 was authorised for issue on 2nd May, 2011.

The Company was incorporated on 11 September 1997.

The authorised share capital of the Company consists of 1,820 shares with a par value of Euros 50 each (Euros 91,000). At 31 March 2011, 364 shares were issued and fully paid.

The nature of the operations and principal activity of the Company is described in the Director's report.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

These Financial Statements are prepared in accordance with Title 9 of Book 2 of the Netherlands Civil Code and are prepared solely for management purposes enabling consolidation with the (ultimate) parent company.

The financial report has been prepared on a historical cost basis.

The financial report is presented in Euros and all values are rounded to the nearest Euros unless otherwise stated.

The financial statements are not consolidated with those of its subsidiary, as a result of Article 407 exemption.

(b) Fair Value

The fair value of the financial assets and liabilities are not disclosed as management is of the opinion that the carrying amount of these financial assets and liabilities approximate the fair value.

(c) Financial risk management

Risk is an inherent part of the Company's business activity. The Company seeks to identify, assess, monitor and manage each of the various types of risk involved in its activities, in accordance with defined policies and procedures.

(d) Foreign Currencies Translation

Transactions in foreign currency are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Euros at the exchange rates ruling at the balance date.

Non-monetary items measured at fair value in a foreign currency in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange gains and losses on foreign currency translation are dealt with in the Statement of Comprehensive Income account.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Financial Statements (*Contd...*)

(f) Receivables

Receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

(g) Investments

Investments in subsidiaries and associates are recorded at cost, less provision for any permanent diminution in value.

(h) Deferred Taxation

Deferred taxation is calculated under the liability method in respect of the taxation effect arising from all timing differences between profit as computed for taxation purposes and profit as stated in the financial statements which are expected with reasonable probability to crystallise in the foreseeable future.

(i) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from management and service fees received as hotel operators and managers for services rendered is recognised by reference to the billing to the customers.

3. Management Fee Income

Turnover represents management fee income.

4. Investments

Investments represent equity interests and advances to related companies. Investments are as follows:

Name	Place of Incorporation	Percentage of equity attributable to the Company	€
PT Waka Oberoi Indonesia	Indonesia	57.03%	2,549,683
PT Widja Putra Karya	Indonesia	48.89%	7,632,706

5. Amount Due from Related Party

The amount due from related party is comprised an amount due from PT Waka Oberoi Indonesia amount of EUR 3,219,858 (approximately US\$ 4,539,323).

The above amount represents loan to PT Waka Oberoi Indonesia for a nominal amount of US\$26,016,500 and is non-interest bearing. The terms of the loan as per Settlement Agreement dated 1 May 2009 (amended March 30, 2011) grants the Company the right to convert the Loan into the capital of PT Waka Oberoi Indonesia and it is the Company's intention to convert the Loan into the capital of PT Waka Oberoi Indonesia. On March 30, 2011 it has been agreed that the loan will be settled in full or before September 30, 2011 and that the grace period will be extended to September 30, 2011. The terms of the Settlement Agreement also states that the loan will bear interest of 11.5% per annum starting October 1, 2011.

Notes to the Financial Statements (*Contd...*)**6. Amount Due To Related Party**

The amounts represent US\$15,557,056 loans due to EIH Investments NV are unsecured. The loans of US\$10,674,233 bear an interest of 5% per annum and loans of US\$4,882,823 bear interest at LIBOR + 2% per annum. The interest on these loans for the year 2010/11 is waived.

7. Staff numbers and employment costs

During the year under review, the Company did not employ any personnel and, consequently, no payments for wages, salaries or social security were made. The Board of Directors consisted of one member, who served without remuneration. The Company does not have a Supervisory Board of Directors.

8. Appropriation of results

Management proposes to accumulate the net result for the year to the retained earnings.

9. Events after Statement of Financial Position Date

No material subsequent events or transactions have been identified.

10. Commitments and Contingencies

At the date of issuance of these financial statements, the company has received four corporate income tax assessments as follows:

2006/2007 fiscal year - EUR64,339
 2007/2008 fiscal year - EUR165,295
 2009/2010 fiscal year - EUR 3,639
 2010/2011 fiscal year - EUR9,797

The assessed amounts relate to the fiscal treatment of the currency exchange results on the amounts due to shareholder. The Company has filed objections to the tax department. Currently the tax department has agreed to await court decisions which are ongoing in similar cases. Accordingly, this matter has been recorded as a contingent liability.

There are no other outstanding commitments and contingencies at year end.

11. Auditor's Remuneration

	31 March 2011	31 March 2010
	€	€
Amounts received or due and receivable for:		
– an audit or review of the financial report of the Company and any other entity in the Company	–	–
– other services in relation to the Company and any other entity in the Company	–	–
	—	—
	–	–
	—	—
Auditors' remuneration for the year was borne by a related party		

Independent Auditor's Report

To the Members of
EIH Management Services B.V.

We have audited the accompanying financial report of EIH Management Services B.V., which comprises the balance sheet as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the director's statement.

Director's Responsibility for the Financial Report

The director of the company is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet their financial reporting requirements and meet the needs of the members. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

We conducted our audit in accordance with International Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the director's financial reporting requirements. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independent Auditor's Report (*Contd...*)

Independence

In conducting our audit we have met the independence requirements of the professional accounting bodies.

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of EIH Management Services B.V. as of 31 March 2011 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

ERNST & YOUNG
Chartered Accountants

Adelaide
4 May 2011

DAVID SANDERS
Partner