PT WIDJA PUTRA KARYA

BOARD

Mr. I Wayan Pasek
Mr. Deepak Madhok
Mr. I Ketut Siandana

AUDITORS

Purwantono, Suherman & Surja
A member firm of Ernst & Young Global Limited
Indonesia Stock Exchange Building
Tower 2, 7th Floor,
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190,
Indonesia

REGISTERED OFFICE

Jl. Kayu Aya – Seminyak Beach,
Kuta , Denpasar 80033,
Bali,
Indonesia

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, 2015.

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, 2015 are set out in the financial statements on pages 1 to 4 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 on omit misleading information and/or facts.

This statement letter is made truthfully.

Bali, April 30, 2015
on behalf of the Board of Directors

Drs. EC. Wayan Pasek
President Director

Independent Auditor's Report

Report No. RPC-7697/PSS/2015

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

We have audited the accompanying statements of PT Widja Putra Karya, which comprise the statement of financial position as of March 31, 2015, and the statements of 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 the 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 auditor's 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.

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, 2015, and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

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

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 dollars have been made on the basis set forth in Note 2l 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, Suherman & Surja

Benyanto Suherman
Public Accountant Registration No. AP.0685

April 30, 2015

Statement of Financial Position
As of March 31, 2015

(Expressed in Rupiah, with Translations into United States Dollars)

		Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
		March 31,		March 31,	
	Notes	**2015**	**2014**	**2015**	**2014**
ASSETS					
CURRENT ASSETS					
Cash on hand and in banks	2m,4,15	23,563,639,995	17,362,761,768	1,800,951	1,522,515
Trade receivables	2m,5,15				
Third parties		3,185,708,346	4,298,455,315	243,481	376,926
Related parties	6	42,674,923	39,600,000	3,262	3,472
Other receivable - third party	2m,15	21,766,207	13,189,999	1,664	1,157
Inventories	2c,7	3,043,249,333	3,095,128,664	232,593	271,407
Prepayments and advances	2d	2,948,101,123	1,890,981,481	225,321	165,817
Other current financial assets	2m,15	125,237,284	348,643,629	9,572	30,572
TOTAL CURRENT ASSETS		**32,930,377,211**	**27,048,760,856**	**2,516,844**	**2,371,866**
NON-CURRENT ASSETS					
Due from related parties	2b,2m,6,15	7,225,491,326	6,179,423,164	552,239	541,865
Fixed assets - net	2e,2f,8	18,224,233,249	14,970,589,011	1,392,864	1,312,749
Deferred tax assets - net	2k,10e	837,777,257	1,051,819,130	64,031	92,232
Other non-current assets	2m,15	6,181,099,072	6,228,294,355	472,416	546,150
TOTAL NON-CURRENT ASSETS		**32,468,600,904**	**28,430,125,660**	**2,481,550**	**2,492,996**
TOTAL ASSETS		**65,398,978,115**	**55,478,886,516**	**4,998,394**	**4,864,862**

The accompanying notes form an integral part of these Financial Statements.

Statement of Financial Position *(Contd...)*
As of March 31, 2015

(Expressed in Rupiah, with Translations into United States Dollars)

		Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
		March 31,		March 31,	
	Notes	**2015**	**2014**	**2015**	**2014**
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Trade payables - third parties	2m,9,15	2,403,802,338	2,605,181,758	183,721	228,445
Other payables	2m,15				
Third parties		350,742,379	308,398,941	26,807	27,043
Related parties	2b,6	471,904,907	543,695,453	36,067	47,676
Taxes payables	2k,10 a	1,503,123,082	3,244,219,938	114,883	284,482
Accrued expenses	2m,11,15	3,204,786,262	2,735,381,106	244,939	239,861
Due to hotel operator	2b,2m,6,12,15	197,994,915	564,383,960	15,133	49,490
Reserve for replacement of furniture, fixtures and equipment	2g,13	384,294,365	646,055,696	29,371	56,652
Other current financial liabilities	2m,15	3,402,806,750	3,551,274,608	260,074	311,405
TOTAL CURRENT LIABILITIES		**11,919,454,998**	**14,198,591,460**	**910,995**	**1,245,054**
NON-CURRENT LIABILITY					
Long-term employee benefits liability	2h,14	5,242,195,710	4,914,382,786	400,657	430,935
TOTAL LIABILITIES		**17,161,650,708**	**19,112,974,246**	**1,311,652**	**1,675,989**
EQUITY					
Capital stock - Rp100,000 par value per share Authorized, issued and fully paid - 11,070 shares	16	1,107,000,000	1,107,000,000	659,603	659,603
Translation adjustment	2l	-	-	(2,807,071)	(2,273,401)
Retained earnings		47,130,327,407	35,258,912,270	5,834,210	4,802,671
NET EQUITY		**48,237,327,407**	**36,365,912,270**	**3,686,742**	**3,188,873**
TOTAL LIABILITIES AND EQUITY		**65,398,978,115**	**55,478,886,516**	**4,998,394**	**4,864,862**

The accompanying notes form an integral part of these Financial Statements.

Statement of Comprehensive Income
For the Year Ended March 31, 2015

(Expressed in Rupiah, with Translations into United States Dollars)

		Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	**2015**	**2014**	**2015**	**2014**
DEPARTMENTAL REVENUES	2i, 17				
Rooms department		71,217,928,324	68,362,905,428	5,953,317	6,288,183
Food and beverages department		22,696,090,460	21,791,929,178	1,895,290	2,007,423
Other operating departments		4,923,243,200	5,028,505,346	410,659	460,704
Total Departmental Revenues		**98,837,261,984**	**95,183,339,952**	**8,259,266**	**8,756,310**
COST OF GOODS SOLD AND SERVICES	18	**31,431,138,945**	**29,319,001,310**	**2,612,198**	**2,687,386**
GROSS PROFIT		**67,406,123,039**	**65,864,338,642**	**5,647,068**	**6,068,924**
HOTEL OPERATING EXPENSES					
Property operations, maintenance and energy expenses	19	13,241,476,623	12,018,774,705	1,097,543	1,098,093
General and administrative expenses	20	11,678,563,157	10,396,089,087	970,991	951,467
Marketing and sales promotion expenses	21	7,860,689,926	6,700,500,919	653,775	613,514
Total Hotel Operating Expenses		**32,780,729,706**	**29,115,364,711**	**2,722,309**	**2,663,074**
HOTEL GROSS OPERATING PROFIT		**34,625,393,333**	**36,748,973,931**	**2,924,759**	**3,405,850**

The accompanying notes form an integral part of these Financial Statements.

Statement of Comprehensive Income *(Contd...)*
For the Year Ended March 31, 2015

(Expressed in Rupiah, with Translations into United States Dollars)

		Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	**2015**	**2014**	**2015**	**2014**
OWNER'S OPERATING (INCOME) EXPENSES	2i				
Finance income		(2,294,536)	(8,922,788)	(190)	(811)
Management fee	22a	4,328,174,167	4,593,621,741	365,595	425,731
Depreciation and amortization	8	2,363,324,113	2,862,827,839	194,700	260,246
Salaries and wages		1,635,724,982	1,388,281,944	135,702	127,131
Rental		1,128,809,721	1,022,134,943	93,235	92,265
Insurance		1,021,543,917	643,956,581	81,547	61,485
Professional fee		831,356,122	672,898,787	68,127	62,331
Finance costs		-	23,464,825	-	2,398
Other operating expenses		518,527,837	1,091,622,841	74,173	74,336
Total Owner's Operating Expenses - Net		**11,825,166,323**	**12,289,886,713**	**1,012,889**	**1,105,112**
INCOME BEFORE INCOME TAX		**22,800,227,010**	**24,459,087,218**	**1,911,870**	**2,300,738**
Income tax expense - net	2k,10b	(6,292,411,873)	(6,464,965,238)	(480,331)	(568,479)
INCOME FOR THE YEAR		**16,507,815,137**	**17,994,121,980**	**1,431,539**	**1,732,259**
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**16,507,815,137**	**17,994,121,980**	**1,431,539**	**1,732,259**

The accompanying notes form an integral part of these Financial Statements.

Statement of Changes In Equity
For the Year Ended March 31, 2015

(Expressed in Rupiah, with Translations into United States Dollars)

	Notes	Indonesian Rupiah		
		Capital Stock	**Retained Earnings**	**Net Equity**
Balance as of April 1, 2013		**1,107,000,000**	**21,419,590,290**	**22,526,590,290**
Total comprehensive income for the year		-	17,994,121,980	17,994,121,980
Cash dividend	16	-	(4,154,800,000)	(4,154,800,000)
Balance as of March 31, 2014		**1,107,000,000**	**35,258,912,270**	**36,365,912,270**
Total comprehensive income for the year		-	16,507,815,137	16,507,815,137
Cash dividend	16	-	(4,636,400,000)	(4,636,400,000)
Balance as of March 31, 2015		**1,107,000,000**	**47,130,327,407**	**48,237,327,407**

		Translations Into U.S. Dollars - (Note 2l)			
	Notes	**Capital Stock**	**Translation Adjustment**	**Retained Earning**	**Net Equity**
Balance as of April 1, 2013		**659,603**	**(1,812,226)**	**3,470,412**	**2,317,789**
Total comprehensive income for the year		-	-	1,732,259	1,732,259
Cash dividend	16	-	-	(400,000)	(400,000)
Translation adjustment		-	(461,175)	-	(461,175)
Balance as of March 31, 2014		**659,603**	**(2,273,401)**	**4,802,671**	**3,188,873**
Total comprehensive income for the year		-	-	1,431,539	1,431,539
Cash dividend	16	-	-	(400,000)	(400,000)
Translation adjustment		-	(533,670)	-	(533,670)
Balance as of March 31, 2015		**659,603**	**(2,807,071)**	**5,834,210**	**3,686,742**

The accompanying notes form an integral part of these Financial Statements.

Statement of Cash Flows
For the Year Ended March 31, 2015

(Expressed in Rupiah, with Translations into United States Dollars)

		Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
	Notes	**2015**	**2014**	**2015**	**2014**
CASH FLOWS FROM OPERATING ACTIVITIES					
Total comprehensive income		16,507,815,137	17,994,121,980	1,431,539	1,732,259
Adjustments to reconcile total comprehensive income to net cash provided by operating activities:					
Provision for replacement of furniture, fixtures and equipment	20	2,964,604,861	2,855,500,199	247,739	262,689
Depreciation and amortization	8	2,363,324,113	2,862,827,839	194,700	260,246
Provision for employee benefits	14	1,201,112,268	1,117,319,113	98,677	100,859
Payments of employee benefit liability	14	(873,299,344)	(535,861,223)	(66,746)	(46,989)
Deferred income tax expense (benefit) - net	10	214,041,873	24,799,988	15,766	3,750
Translation adjustment		-	-	(417,344)	(385,428)
Changes in operating assets and liabilities:					
Trade receivables		1,109,672,046	(193,216,962)	133,655	46,070
Other receivables - third party		(8,576,208)	(9,990,000)	(507)	(828)
Inventories		51,879,331	423,432,587	38,814	90,622
Prepayments and advances		(1,057,119,642)	94,947,986	(59,504)	38,518
Other current financial assets		223,406,345	(68,901,181)	21,000	(1,789)
Due from related parties		(1,046,068,162)	(848,687,405)	(10,374)	6,621
Other non-current assets		9,666,666	9,666,666	68,858	96,252
Trade payables - third parties		(201,379,420)	529,893,554	(44,724)	14,916
Other payables		(29,447,108)	(816,053,509)	(11,845)	(96,919)
Taxes payable		(1,741,096,856)	1,706,398,222	(169,599)	126,253
Accrued expenses		469,405,156	321,369,619	5,078	(8,520)
Due to Hotel Operator		(366,389,045)	(773,040,549)	(34,357)	(88,119)
Other current financial liabilities		(148,467,858)	2,053,639,235	(51,331)	157,312
Total Cash Provided by Operating Activities		**19,643,084,153**	**26,748,166,159**	**1,389,495**	**2,307,775**

The accompanying notes form an integral part of these Financial Statements.

Statement of Cash Flows *(Contd...)*
For the Year Ended March 31, 2015

(Expressed in Rupiah, with Translations into United States Dollars)

	Notes	Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
		Year Ended March 31,		Year Ended March 31,	
		2015	2014	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of fixed assets	8	(5,579,439,734)	(5,556,883,917)	(444,092)	(490,499)
Utilization of reserve for replacement of furniture, fixtures and equipment	13	(3,226,366,192)	(2,495,982,325)	(266,967)	(225,317)
Total Cash Used in Investing Activities		**(8,805,805,926)**	**(8,052,866,242)**	**(711,059)**	**(715,816)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash Dividend	16	(4,636,400,000)	(4,154,800,000)	(400,000)	(400,000)
Payment of long-term bank loan		-	(2,642,301,320)	-	(231,700)
Total cash Used in Financing Activities		**(4,636,400,000)**	**(6,797,101,320)**	**(400,000)**	**(631,700)**
NET INCREASE IN CASH ON HAND AND IN BANKS		**6,200,878,227**	**11,898,198,597**	**278,436**	**960,259**
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4	**17,362,761,768**	**5,464,563,171**	**1,522,515**	**562,256**
CASH ON HAND AND IN BANKS AT END OF YEAR	4	**23,563,639,995**	**17,362,761,768**	**1,800,951**	**1,522,515**
Supplemental cash flow information					
Cash paid during the year for:					
Income taxes		7,819,466,856	4,733,767,029	606,119	438,476
Interest		-	38,128,561	-	4,070

The accompanying notes form an integral part of these Financial Statements.

Notes to the Financial Statements
As of March 31, 2015 and For the Year Then ended

(Expressed in Rupiah, with Translations into United States Dollars)

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 was covered by notarial deed No. 2 dated August 3, 2012 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.01.10-34461 dated September 24, 2012.

In accordance with to 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. The Hotel is managed and operated by EIH Management Services B.V. (the Operator) up to 2032 with option to extend for 10 or 20 years (Note 22a).

The composition of the Company's Boards of Commissioners and Directors as of March 31, 2015 and 2014 was as follows:

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

The Company employed a total of 196 and 198 permanent employees as of March 31, 2015 and 2014, respectively (unaudited).

The management of the Company is responsible for the preparation of the accompanying financial statements that were completed on April 30, 2015.

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") issue by the Indonesia Financial Accounting Standards Board ("DSAK") of the Indonesian Institute of Accountants.

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.

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

The statement of cash flows, which have been prepared using the indirect method, presents cash receipts and disbursements of cash on hand and in banks classified into operating, investing and financing activities.

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

b. Transactions with Related Parties

The Company applies PSAK No.7 "Related Party Disclosure" which requires disclosure of related party relationships transactions and outstanding balances, including commitments.

All significant transactions and balances with related parties are disclosed in the relevant notes to the financial statements.

c. Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is primarily determined using the weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost necessary to make the sale. Allowance for decline in market value of inventories is provided, if any, to reduce the carrying value of inventories to their net realizable values.

d. Prepayments

Prepayments are amortized and charged to operations over the periods benefited using the straight-line method. The portion to be amortized within as of more than one year as after the end of the reporting period is presented as part of "Other Non-current Assets" in the statement of financial position.

e. Fixed Assets

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

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

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

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

Land is stated at cost and is not depreciated.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The costs incurred in order to acquire legal rights over land in form of "Hak Guna Usaha" (HGU), "Hak Guna Bangunan" (HGB) and "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.

f. 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 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 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 comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior periods. Reversal of an impairment loss is recognized in the statement of 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.

g. Provisions

The Company adopted PSAK No. 57, "Provision, Contigent Liabilities and Contigent Assets" which requires 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 obligation, the provisions are reversed.

h. Employee Benefits Liability

Short-term employee benefits

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

Post-employment benefits

The Company provides post-employment benefits to its employees in conformity with the requirements of Labor Law No. 13/2003 dated March 25, 2003. The provision for post-employment benefits is determined using the projected-unit-credit method.

Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains or losses for each individual plan at the end of the previous reporting period exceed 10% of the present value of the defined benefits obligation at that date. These gains or losses in excess of the 10% threshold are recognized on a straight-line basis over the expected average remaining working lives of the employees. Further, past service costs arising from the introduction of a defined benefit plan or changes in the benefits payable of an existing plan are required to be amortized over the period until the benefits concerned become vested.

In accordance with PSAK No. 24 (Revised 2010), the Company recognizes provision for employee service entitlement benefits in accordance with Labor Law No. 13/2003 dated March 25, 2003 (the "Labor Law"). Under the Labor Law, the Company is required to pay benefits to its employees if the conditions specified in the Labor Law are met.

i. Revenue and Expense Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes ("VAT").

Expenses are recognized when they are incurred.

Hotel room's 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.

j. 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, 2015 and 2014, the rates of exchange used were Rp13,084 and Rp11,404, respectively, to US$1.

k. Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Tax Office based on the tax rates and tax laws that are enacted or substantively enacted.

Current income tax relating to items debited or credited to equity is recognized in equity. Management periodically evaluates positions taken by the Company with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The amounts of additional tax and penalty imposed through a Tax Assessment Letter ("SKP") is recognized as income or expense in current operations, unless further settlement is submitted. The amounts of tax and penalty imposed through an SKP are deferred as long as they meet the asset recognition criteria.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses (if any), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets 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 all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax relating to items recognized outside of profit or loss is recognized outside of profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

l. Translations of Indonesian Rupiah Amounts into United States (U.S.) Dollars

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. dollars were made at the following rates:

Assets and liabilities	-	Middle rate as of reporting date (Rp13,084 to US$1 and Rp11,404 to US$1 as last quoted by Bank Indonesia as of March 31, 2015 and 2014, respectively)
Capital stock	-	Historical rates
Revenue and expense accounts	-	Transaction date exchange rates

The resulting difference arising from the translations of the statements of financial position and statements of comprehensive income accounts is presented as "Translation adjustment" under the equity section of the statement of financial position.

m. Financial instruments

i. Financial assets

Initial recognition

Financial assets within the scope of PSAK No. 55 (2011) 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, 2015 and 2014, the Company's financial assets included cash on hand and in banks, trade receivables, other receivables, other current financial assets (employee loan), due from related parties and other non-current assets (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.

ii. Financial liabilities

Initial recognition

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

Financial liabilities within the scope of PSAK No. 55 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, 2015 and 2014, the Company's financial liabilities included trade and other payables, accrued expenses (excluding accruals relating to employee benefits), due to hotel operator and other current financial liabilities (deposits from customers and payables to employees). The Company has determined that all of these financial liabilities are categorized as financial liabilities measured at amortized cost.

<u>Subsequent measurement</u>

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 reported in the statements 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.

<u>Credit risk adjustment</u>

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.

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 comprehensive income.

vii. Derecognition of Financial Assets and Liabilities

Financial assets

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

Financial liabilities

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

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

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:

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

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2m.

<u>Impairment of Trade Receivables</u>

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.

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.

<u>Estimation of Post-employment Benefits Liability</u>

The cost of defined benefit plan and present value of the pension obligation are determined using the projected-unit-credit method. Actuarial valuation includes making various assumptions which consist of, among others, discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. Actual results that differ from the Company's assumptions are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting period exceed 10% of the present value of defined benefit obligation. 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 14.

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 8.

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.

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

4. CASH ON HAND AND IN BANKS

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
	March, 31		March, 31	
	2015	2014	2015	2014
Cash on hand				
Rupiah	33,814,650	10,013,400	2,584	878
Cash in banks				
U.S. dollars				
Bank Negara Indonesia (Persero) Tbk.	17,318,086,287	11,173,044,854	1,323,608	979,747
Bank Internasional Indonesia Tbk.	133,827,601	834,962,183	10,228	73,217
Bank Mandiri (Persero) Tbk	19,417,703	-	1,484	-
Rupiah				
Bank Negara Indonesia (Persero) Tbk.	5,283,607,071	5,202,785,198	403,822	456,225
Bank Internasional Indonesia Tbk.	546,288,597	141,956,133	41,752	12,448
Bank Mandiri (Persero) Tbk	228,598,086	-	17,473	-
Total	**23,563,639,995**	**17,362,761,768**	**1,800,951**	**1,522,515**

As of March 31, 2015 and 2014, none of the Company's cash on hand and in banks are restricted in use or used as collateral.

5. TRADE RECEIVABLES

This account consists of the following:

	Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
	March, 31		March, 31	
	2015	2014	2015	2014
Third parties				
City ledger	2,129,885,553	3,351,005,954	162,785	293,846
Guest ledger	1,055,822,793	947,449,361	80,696	83,080
Total third parties	**3,185,708,346**	**4,298,455,315**	**243,481**	**376,926**
Related parties				
Oberoi advantage	42,674,923	39,600,000	3,262	3,472
Total	**3,228,383,269**	**4,338,055,315**	**246,743**	**380,398**

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

The ageing of trade receivables are as follows:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)		Percentage to Total (%)	
	March 31,		March 31,		March 31,	
	2015	2014	2015	2014	2015	2014
Current	2,914,591,478	3,744,408,561	222,760	328,342	90.28	86.32
Over due:						
1 - 30 days	236,976,628	567,082,306	18,112	49,727	7.34	13.07
31- 60 days	72,250,715	-	5,522	-	2.24	-
Over 60 days	4,564,448	26,564,448	349	2,329	0.14	0.61
Total	**3,228,383,269**	**4,338,055,315**	**246,743**	**380,398**	**100.00**	**100.00**

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, 2015 and 2014.

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. Dollars - (Note 2l)		Percentage to Total assets or liabilities (%)	
	March 31,		March 31,		March 31,	
	2015	2014	2015	2014	2015	2014
Due from related parties						
PT Waka Gae Selaras	3,205,580,000	2,793,980,000	245,000	245,000	4.90	5.04
EIH International Limited	2,369,342,308	2,065,116,148	181,087	181,087	3.63	3.72
EIH Management Services B.V.	1,393,733,848	1,214,776,888	106,522	106,522	2.13	2.19
PT Waka Oberoi Indonesia	256,835,170	105,550,128	19,630	9,256	0.39	0.19
Total	**7,225,491,236**	**6.179,423,164**	**552,239**	**541,865**	**11.05**	**11.15**
Trade receivables						
Oberoi Advantage	42,674,923	39,600,000	3,262	3,472	0.07	0.07
Other payable						
EIH International Limited	471,904,907	543,695,453	36,067	47,676	2.75	2.85
Due to hotel operator						
EIH Management Services B.V. (Note 12)	197,994,915	564,383,960	15,133	49,490	1.15	2.95

Salaries and wages of the Company's key management personnel amounted to Rp967,287,166 in 2015 and Rp725,692,158 in 2014

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

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

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

No.	Related Parties	Nature of Relationship	Types of Transaction
a.	Oberoi Advantage	Other related parties	Service revenue
b.	PT Waka Gae Selaras	Shareholders	Advance Paid
c.	EIH International Limited	Shareholders	Advance paid and operating expenses
d.	EIH Management Services B.V.	Shareholders	Advance paid and management service
e.	PT Waka Oberoi Indonesia	Other related parties	Intercompany advances and share in proceeds from sale of vacation packages

7. INVENTORIES

Inventories consist of the following:

	Indonesian Rupiah		Translations into U.S. Dollars (Note 2l)	
	March 31,		March 31,	
	2015	2014	2015	2014
Materials and supplies	1,329,274,166	1,217,422,082	101,595	106,754
Food	995,242,917	1,067,717,384	76,066	93,627
Beverages	713,494,272	804,384,453	54,532	70,535
Tobacco	5,237,978	5,604,745	400	491
Total	**3,043,249,333**	**3,095,128,664**	**232,593**	**271,407**

Management believes that no allowance for losses is necessary on the inventories as of March 31, 2015 and 2014 since the inventories are fully usable.

8. FIXED ASSETS

The details of fixed assets are as follows:

	For the Year Ended March 31, 2015			
	Indonesian Rupiah			
	Beginning Balance	Additions	Reclassification	Ending Balance
Cost				
Land	94,854,375	-	-	94,854,375
Buildings	12,113,066,870	1,942,219,038	-	14,055,285,908
Structures and improvements	5,518,663,626	-	-	5,518,663,626
Machinery and equipment	5,678,055,547	218,900,000	-	5,896,955,547
Furniture, fixtures and equipment	20,958,021,479	1,255,651,307	-	22,213,672,786
Motor vehicles	1,198,375,280	-	-	1,198,375,280
Construction in progress	1,253,025,960	2,162,669,389	-	3,415,695,349
Total Cost	46,814,063,137	5,579,439,734	-	52,393,502,871

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

8. FIXED ASSETS *(Contd...)*

	For the Year Ended March 31, 2015			
	Indonesian Rupiah			
	Beginning Balance	**Additions**	**Reclassification**	**Ending Balance**
Accumulated Depreciation				
Buildings	4,698,837,422	530,320,580	-	5,229,158,002
Structures and improvements	5,230,677,413	117,253,279	-	5,347,930,692
Machinery and equipment	3,555,861,026	366,508,567	-	3,922,369,593
Furniture, fixtures and equipment	17,159,722,991	1,311,713,070	-	18,471,436,061
Motor vehicles	1,198,375,274	-	-	1,198,375,274
Total Accumulated Depreciation	31,843,474,126	2,325,795,496	-	34,169,269,622
Net Book Value	**14,970,589,011**			**18,224,233,249**

	For the Year Ended March 31, 2014			
	Indonesian Rupiah			
	Beginning Balance	**Additions**	**Reclassification**	**Ending Balance**
Cost				
Land	94,854,375	-	-	94,854,375
Buildings	10,333,579,712	1,779,487,158	-	12,113,066,870
Structures and improvements	5,518,663,626	-	-	5,518,663,626
Machinery and equipment	4,824,918,883	853,136,664	-	5,678,055,547
Furniture, fixtures and equipment	18,364,980,734	2,593,040,745	-	20,958,021,479
Motor vehicles	1,198,375,280	-	-	1,198,375,280
Construction in progress	921,806,610	331,219,350	-	1,253,025,960
Total Cost	41,257,179,220	5,556,883,917	-	46,814,063,137
Accumulated Depreciation				
Buildings	4,247,887,147	450,950,275	-	4,698,837,422
Structures and improvements	5,083,350,106	147,327,307	-	5,230,677,413
Machinery and equipment	3,252,023,585	303,837,441	-	3,555,861,026
Furniture, fixtures and equipment	15,272,353,541	1,887,369,450	-	17,159,722,991
Motor vehicles	1,162,560,503	35,814,771	-	1,198,375,274
Total Accumulated Depreciation	29,018,174,503	2,825,299,244	-	31,843,474,126
Net Book Value	**12,239,004,338**			**14,970,589,011**

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

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

8. FIXED ASSETS *(Contd...)*

	For the Year Ended March 31, 2015				
	Translations into U.S. Dollars - (Note 2l)				
	Beginning Balance	Additions	Reclassification	Translation Adjustment	Ending Balance
Cost					
Land	8,318	-	-	(1,068)	7,250
Buildings	1,062,177	157,695	-	(145,637)	1,074,235
Structures and improvements	483,924	-	-	(62,137)	421,787
Machinery and equipment	497,900	18,039	-	(65,240)	450,699
Furniture, fixtures and equipment	1,770,416	103,067	-	(175,709)	1,697,774
Motor vehicles	105,084	-	-	(13,493)	91,591
Construction in progress	109,875	165,291	-	(14,106)	261,060
Total Cost	4,037,694	444,092	-	(477,390)	4,004,396
Accumulated Depreciation					
Buildings	412,034	43,687	-	(56,060)	399,661
Structures and improvements	458,670	9,660	-	(59,592)	408,738
Machinery and equipment	311,808	30,195	-	(42,219)	299,784
Furniture, fixtures and equipment	1,437,349	108,067	-	(133,658)	1,411,758
Motor vehicles	105,084	-	-	(13,493)	91,591
Total Accumulated Depreciation	2,724,945	191,609	-	(305,022)	2,611,532
Net Book Value	**1,312,749**				**1,392,864**

	For the Year Ended March 31, 2014				
	Translations into U.S. Dollars - (Note 2l)				
	Beginning Balance	Additions	Reclassification	Translation Adjustment	Ending Balance
Cost					
Land	9,760	-	-	(1,442)	8,318
Buildings	1,063,235	153,411	-	(154,469)	1,062,177
Structures and improvements	567,822	-	-	(83,898)	483,924
Machinery and equipment	496,442	77,440	-	(75,982)	497,900
Furniture, fixtures and equipment	1,889,596	229,749	-	(348,929)	1,770,416
Motor vehicles	123,302	-	-	(18,218)	105,084
Construction in progress	94,845	29,899	-	(14,869)	109,875
Total Cost	4,245,002	490,499	-	(697,807)	4,037,694

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

8. FIXED ASSETS *(Contd...)*

	For the Year Ended March 31, 2014				
	Translations into U.S. Dollars - (Note 2l)				
	Beginning Balance	**Additions**	**Reclassification**	**Translation Adjustment**	**Ending Balance**
Accumulated Depreciation					
Buildings	437,070	40,994	-	(66,030)	412,034
Structures and improvements	523,033	13,393	-	(77,756)	458,670
Machinery and equipment	334,605	27,621	-	(50,418)	311,808
Furniture, fixtures and equipment	1,571,391	171,579	-	(305,621)	1,437,349
Motor vehicles	119,617	3,256	-	(17,789)	105,084
Total Accumulated Depreciation	2,985,716	256,843	-	(517,614)	2,724,945
Net Book Value	**1,259,286**				**1,312,749**

Depreciation charged to operations amounted to Rp2,325,795,496 (US$191,609) and Rp2,825,299,244 (US$256,843) for the years ended March 31, 2015 and 2014, respectively.

The Company's land properties are covered by landrights ownership or Hak Guna Bangunan (HGB) certificates, No. 31 that valid up to 2019.

Fixed assets are covered by insurance against losses from fire and other risks under blanket policies for US$58,500,000 as of March 31, 2015. The Company's management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

As of March 31, 2015 and 2014, the Company's management believes that there is no impairment in the asset values as contemplated in PSAK No. 48.

9. TRADE PAYABLES

This account consists mainly of liabilities to the Hotel's suppliers of goods and services.

10. TAXATION

a. Taxes payable consist of the following:

	Indonesian Rupiah		**Translations into U.S. Dollars - (Note 2l)**	
	March, 31		March, 31	
	2015	**2014**	**2015**	**2014**
Corporate income tax	65,092,003	1,744,397,871	4,975	152,964
Development tax I	636,769,739	813,865,992	48,668	71,367
Income tax				
Article 4(2)	14,846,604	8,797,928	1,135	773
Article 21	141,109,706	138,928,304	10,785	12,182
Article 23	10,868,582	12,102,063	831	1,061
Article 25	536,680,437	394,384,688	41,018	34,583
Value added tax	97,756,011	131,743,092	7,471	11,552
Total	**1,503,123,082**	**3,244,219,938**	**114,883**	**284,482**

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

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

10. TAXATION *(Contd...)*

b. A reconciliation between loss before income tax, as shown in the statements of comprehensive income, and estimated tax loss is as follows:

	March 31, 2015	March 31, 2014
Income before income tax	22,800,227,010	24,459,087,218
Temporary differences:		
Provision for replacement of furniture, fixtures and equipment - net	(261,761,331)	359,517,874
Employee benefits - net	327,812,924	581,457,890
Reversal of allowance for impairment of inventories	-	(978,289,529)
Depreciation	(922,219,083)	(61,886,192)
Permanent differences:		
Interest income already subjected to final tax	(207,033,138)	(132,089,812)
Non-deductible expenses-salaries, wages and employees' welfare	2,158,997,373	131,089,315
Others	417,456,717	1,401,911,228
Estimated tax income for the year	**24,313,480,472**	**25,760,660,992**

c. Computation of estimated current income tax expense and estimated income tax payable:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	March 31,		March 31,	
	2015	2014	2015	2014
Estimated taxable income (rounded-off)	24,313,480,000	25,760,661,000	1,858,260	2,258,916
Current income tax expense	6,078,370,000	6,440,165,250	464,565	564,729
Prepayments of Income tax article 25	6,013,277,997	4,695,767,379	459,590	411,765
Estimated corporate income tax payable	**65,092,003**	**1,744,397,871**	**4,975**	**152,964**

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

d. The reconciliation between the income tax expense derived by multiplying the income before income tax multiplied by the applicable tax rate and income tax expense - net as shown in the statement of comprehensive income is as follows:

	March 31,	
	2015	**2014**
Income before income tax	22,800,227,010	24,459,087,218
Tax expense at the applicable rate	5,700,056,753	6,114,771,805
Tax effect on permanent differences:		
Interest income already subjected to final tax	(51,758,284)	(33,056,703)
Non-deductible expensed		
Salaries, wages and employee benefits	539,749,343	32,772,329
Donation and representation	12,675,500	-
Taxes	125,000	1,986,556
Others	91,563,561	348,491,251
Income tax expense - net	**6,292,411,873**	**6,464,965,238**

e. Deferred income tax benefit (expense) consists of:

	Indonesian Rupiah		**Translations into U.S. Dollars - (Note 2l)**	
	March 31,		**March 31,**	
	2015	**2014**	**2015**	**2014**
Provision (payment of reserve) for replacement of furniture, fixtures and equipment - net	(65,440,333)	89,879,469	(4,807)	9,343
Provision for employee benefits - net	81,953,231	145,364,473	7,982	13,468
Depreciation and amortization - net	(230,554,771)	(15,471,548)	(18,941)	(1,397)
Reversed of allowance for inventory losses	-	(244,572,382)	-	(25,164)
Net	**(214,041,873)**	**(24,799,988)**	**(15,766)**	**(3,750)**

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

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

f. Deferred tax assets (liabilities) consists of:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	March 31,		March 31,	
	2015	2014	2015	2014
Deferred tax assets				
Employee benefits liability	1,310,548,928	1,228,595,697	140,640	132,658
Reserve for replacement of furniture, fixtures and equipment	96,073,592	161,513,925	14,370	19,177
Total deferred tax assets	1,406,622,520	1,390,109,622	155,010	151,835
Deferred tax liabilities				
Depreciation and amortization - net	(568,845,263)	(338,290,492)	(61,588)	(42,647)
Translation adjustment	-	-	(29,391)	(16,956)
Net deferred tax assets	**837,777,257**	**1,051,819,130**	**64,031**	**92,232**

11. ACCRUED EXPENSES

The details of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	March 31,		March 31,	
	2015	2014	2015	2014
Heat, light and power	958,828,936	508,110,019	73,283	44,555
Tax consultant fee	740,344,271	1,008,102,652	56,584	88,399
Salary and employee benefit	591,304,348	298,466,947	45,193	26,172
Audit and consultant fee	522,344,300	472,799,373	39,922	41,459
Others	391,964,407	447,902,115	29,957	39,276
Total	**3,204,786,262**	**2,735,381,106**	**244,939**	**239,861**

12. DUE TO HOTEL OPERATOR

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year ended March 31,		Year ended March 31,	
	2015	2014	2015	2014
Balance as of March 31, 2014	564,383,960	1,337,424,509	49,490	137,609
Management fee - 12.5% of hotel gross operating profit (Notes 1 and 22a)	4,328,174,167	4,593,621,741	365,595	425,731
Payments	(4,702,548,522)	(5,345,466,384)	(399,952)	(513,850)
Unrealized loss (gain) on foreign exchange - net	7,985,310	(21,195,906)	-	-
Balance as of March 31, 2015	**197,994,915**	**564,383,960**	**15,133**	**49,490**

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

13. RESERVE FOR REPLACEMENT OF FURNITURE, FIXTURES AND EQUIPMENT

The movements of this account are as follows:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	March 31,		March 31,	
	2015	**2014**	**2015**	**2014**
Balance as of March 31, 2014	646,055,696	286,537,822	56,652	29,482
Provisions during the year (Note 20)	2,964,604,861	2,855,500,199	247,739	262,689
Utilization of reserve	(3,226,366,192)	(2,495,982,325)	(266,967)	(225,317)
Translation adjustment	-	-	(8,053)	(10,202)
Balance as of March 31, 2015	**348,294,365**	**646,055,696**	**29,371**	**56,652**

14. LONG-TERM EMPLOYEE BENEFITS LIABILITY

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

The Company provides post-employment benefits to its employees based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The components of post-employment benefits expense recognized in the statement of comprehensive income and post-employment benefits liability recognized in the statement of financial position as determined by PT Gemma Mulia Inditama an independent firm of actuary, in their reports dated April 5, 2015 and April 5, 2014, using the "projected-unit-credit" method are as follows:

a. Details of post-employment benefits expense:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2015	**2014**	**2015**	**2014**
Current service cost	636,275,659	464,120,072	52,273	41,896
Interest cost	447,929,558	306,791,521	36,800	27,694
Amortization of unrecognized past service cost - unvested	334,394,645	334,394,645	27,472	30,185
Recognized actuarial losses (gains)	(217,487,594)	12,012,875	(17,868)	1,084
Total post-employee benefits expense	**1,201,112,268**	**1,117,319,113**	**98,677**	**100,859**

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

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

b. Details of post-employment benefits liability:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	March 31,		March 31,	
	2015	2014	2015	2014
Present value of employee benefits obligation	7,559,640,716	6,021,914,949	577,777	528,053
Unrecognized past service cost - unvested	511,813,998	177,419,353	39,118	15,558
Unrecognized actuarial loss	(2,829,259,004)	(1,284,951,516)	(216,238)	(112,676)
Net post-employee benefits liability	**5,242,195,710**	**4,914,382,786**	**400,657**	**430,935**

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

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year ended March 31,		Year ended March 31,	
	2015	2014	2015	2014
Beginning balance	4,914,382,786	4,332,924,896	430,935	445,820
Provision during the year	1,201,112,268	1,117,319,113	98,677	100,859
Payments during the year	(873,299,344)	(535,861,223)	(66,746)	(46,989)
Translation adjustment	-	-	(62,209)	(68,755)
Ending balance	**5,242,195,710**	**4,914,382,786**	**400,657**	**430,935**

The key assumptions used in determining the employee benefits liability are as follows:

Discount rate	:	7.81% in 2015 and 8.70% in 2014
Annual salary increase	:	8% in 2015 and 2014
Mortality	:	TMI III
Retirement age	:	55 years
Disability rate	:	10% of mortality table TMI III

As of March 31, 2015, if the discount rate is increased/decreased by 1% with all other variables held constant, the employee benefits liability would have been lower/higher by Rp91,382,612 (US$6,984)/Rp113,948,277 (US$8,709).

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

15. 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. Dollars - (Note 2l)	
	March 31,		March 31,	
	2015	2014	2015	2014
Financial Assets - Loans and Receivables				
Cash on hand and in banks	23,563,639,995	17,362,761,768	1,800,951	1,522,515
Trade receivables				
Third parties	3,185,708,346	4,298,455,315	243,481	376,926
Related parties	42,674,923	39,600,000	3,262	3,472
Other receivables – third party	21,766,207	13,189,999	1,664	1,157
Other current financial assets - employee loan	125,237,284	348,643,629	9,572	30,572
Due from related parties	7,225,491,326	6,179,423,164	552,239	541,865
Other non-current assets - deposits	80,283,464	80,283,464	6,136	7,040
Total Financial Assets	**34,244,801,545**	**28,322,357,339**	**2,617,305**	**2,483,547**
Financial Liabilities - Financial Liabilities Measured at Amortized Cost				
Trade payables - third parties	2,403,802,338	2,605,181,758	183,721	228,445
Other payables	822,647,286	852,094,394	62,874	74,719
Accrued expenses*	3,204,786,262	2,735,381,106	244,939	239,861
Due to hotel operator	197,994,915	564,383,960	15,133	49,490
Other current financial liabilities - deposit from customers and payable to employee	3,402,806,750	3,551,274,608	260,074	311,406
Total Financial Liabilities	**10,032,037,551**	**10,308,315,826**	**766,741**	**903,921**

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments presented in the statements of financial position are carried at amortized cost. The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

a. Short-term financial assets and liabilities

Short-term financial instruments with remaining maturities of one year or less (cash on hand and in banks, trade receivables, other receivables - third party, other current financial assets - employee loan, trade payables - third parties, other payables - related parties, accrued expenses, due to hotel operator and other current financial liabilities) approximate their carrying amounts due to their short-term nature.

b. Non-current financial assets

The Company's long-term financial instrument only consists of amount due from related parties and other non-current assets - deposits. The fair values of these financial assets are assumed to be the same as their undiscounted cash values since they are considered insignificant.

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

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

16. CAPITAL STOCK

The share ownership details as of March 31, 2015 and 2014 are as follows:

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

Based on the minutes of the Company's annual general meeting of shareholders, the shareholders resolved to, among others, declare cash dividend as follow.

a. On June 24, 2014 the shareholder approved to declare cash dividend amounting to US$400,000 (equivalent to Rp4,636,400,000) for financial year 2014. This cash dividend was paid in August 2014 and February 2015.

b. On June 3, 2013, the shareholders approved to declare cash dividend amounting to US$400,000 (equivalent to Rp4,154,800,000) for financial year 2013. The cash dividend was fully paid in August 2013.

17. DEPARTMENTAL REVENUES

The details of departmental revenues are as follows:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2015	**2014**	**2015**	**2014**
Room Department				
Lanai	50,453,250,896	48,532,848,394	4,217,536	4,464,167
Villa	20,764,677,428	19,830,057,034	1,735,781	1,824,016
Total Room Department	**71,217,928,324**	**68,362,905,428**	**5,953,317**	**6,288,183**
Food and Beverages Department				
Food	16,864,243,891	15,456,841,605	1,408,661	1,423,849
Beverage	5,663,993,194	6,068,707,825	472,744	559,036
Others	167,853,375	266,379,748	13,885	24,538
Total Food and Beverages Department	**22,696,090,460**	**21,791,929,178**	**1,895,290**	**2,007,423**
Other Operating Departments				
Health spa	2,020,035,145	2,128,101,991	168,649	195,910
Boutique	1,807,233,940	1,917,795,909	150,691	174,151
Others	1,095,974,115	982,607,446	91,319	90,643
Total Other Operating Departments	**4,923,243,200**	**5,028,505,346**	**410,659**	**460,704**
Departmental Revenues	**98,837,261,984**	**95,183,339,952**	**8,259,266**	**8,756,310**

In 2015 and 2014, the average hotel room occupancy rates were 63.05% and 67.74%, respectively (unaudited).

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

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

18. COST OF GOODS SOLD AND SERVICES

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

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2015	2014	2015	2014
Food and Beverages	**6,443,523,318**	**6,208,949,019**	**537,975**	**571,927**
Payroll and Related Expenses				
Employee benefits	6,155,617,697	5,761,057,793	509,502	526,869
Salaries and wages	6,082,242,142	5,143,629,439	503,354	470,723
Total Payroll and Related Expenses	**12,237,859,839**	**10,904,687,232**	**1,012,856**	**997,592**
Other Expenses				
Cleaning and guest supplies	1,971,073,074	1,901,364,724	163,618	174,679
Travel agents	1,814,324,873	1,165,657,442	152,392	106,627
Boutique	1,183,413,005	1,263,903,173	98,803	114,352
Linens and uniforms	1,147,511,294	1,213,460,468	95,144	111,525
Laundry	1,124,327,726	1,091,198,229	93,589	100,804
Welcome drinks, fruit baskets and amenities	729,819,489	727,274,874	60,956	66,974
Security	711,000,636	612,303,979	58,906	56,010
Cultural music and shows	694,401,725	693,901,530	57,584	63,763
Kitchen fuel	391,879,785	440,752,451	32,659	40,429
Decoration	282,883,803	276,035,028	23,559	25,430
Printing and stationery	255,157,069	277,533,257	21,247	25,702
Consultant fees	247,981,373	246,503,521	20,679	22,270
Cable television and music	228,222,950	217,750,500	18,948	19,832
Transportation and travel	195,303,191	242,890,808	16,157	22,379
Guest newspaper	186,444,064	218,887,514	15,540	20,075
Mineral water and ice	153,607,123	119,682,198	12,817	11,059
Other	1,432,404,608	1,496,265,363	118,769	135,957
Total Other Expenses	**12,749,755,788**	**12,205,365,059**	**1,061,367**	**1,117,867**
Cost of Goods Sold and Services	**31,431,138,945**	**29,319,001,310**	**2,612,198**	**2,687,386**

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

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

19. PROPERTY OPERATIONS, MAINTENANCE AND ENERGY EXPENSES

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

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2015	2014	2015	2014
Repairs and maintenance	5,678,990,640	5,160,143,368	470,427	472,113
Electricity	3,393,221,040	2,893,726,346	281,722	264,038
Water	2,314,044,778	2,223,363,492	191,866	203,137
Salaries and wages	958,519,693	851,638,628	79,373	77,316
Cleaning supplies	425,560,403	486,380,770	35,278	44,691
Light bulbs	192,032,295	167,444,145	15,907	15,348
Gas	34,204,260	3,312,727	2,734	273
Uniforms	32,250,000	30,000,000	2,672	2,752
Laundry	30,949,322	30,703,792	2,569	2,834
Telephone	10,610,258	8,895,221	878	816
Fuel	8,133,333	49,332,543	703	4,443
Others	162,960,601	113,833,673	13,414	10,332
Total	**13,241,476,623**	**12,018,774,705**	**1,097,543**	**1,098,093**

20. GENERAL AND ADMINISTRATIVE EXPENSES

The details of general and administrative expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2015	2014	2015	2014
Salaries and wages	4,496,604,418	3,668,695,649	372,316	334,266
Provision for replacement of furniture, fixtures and equipment (Note 13)	2,964,604,861	2,855,500,199	247,739	262,689
Commission on credit cards	1,834,456,820	1,648,199,571	153,437	150,724
Professional fees	909,165,545	631,796,725	74,607	57,950
Executive	315,362,588	416,435,328	26,673	38,211
Telephone and communication	263,907,599	265,667,792	21,837	24,246
Transportation and traveling	179,632,605	186,282,546	14,899	17,066
Others	714,828,721	723,511,277	59,483	66,315
Total	**11,678,563,157**	**10,396,089,087**	**970,991**	**951,467**

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

21. MARKETING AND SALES PROMOTION EXPENSES

The details of marketing and sales promotion expenses are as follows:

	Indonesian Rupiah		Translations into U.S. Dollars - (Note 2l)	
	Year Ended March 31,		Year Ended March 31,	
	2015	2014	2015	2014
Marketing and sales promotion expenses (Note 22a)	2,964,604,861	2,855,500,199	247,739	262,689
Advertising and promotion	2,194,594,575	1,471,381,058	182,008	134,569
Public relations	1,390,291,831	1,071,626,886	114,839	96,210
Transportations and travel	701,611,531	419,006,029	58,333	38,109
Salaries and wages	444,232,241	402,777,172	36,855	37,034
Sales representation	93,560,421	379,018,934	8,068	35,569
Telephone and communication	49,445,200	37,792,196	4,100	3,498
Printing and stationery	21,794,284	62,944,304	1,786	5,791
Others	555,000	454,141	47	45
Total	**7,860,689,926**	**6,700,500,919**	**653,775**	**613,514**

22. SIGNIFICANT AGREEMENTS

a. 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. 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. On September 29, 2014, the Company entered into a contract agreement with PT Tunas Jaya Sanur related to work on installation, testing, commissioning and maintenance of clean water installation, irrigation water installation, fire hydrant works and sewage transfer system of The Oberoi, Bali with total contract value of Rp5,283,436,000. This contract agreement is valid until September 29, 2015.

23. ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

Information concerning monetary assets and liabilities denominated in foreign currencies as of March 31, 2015 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 on hand and in banks	US$	1,335,320	17,471,331,591
Trade receivable	US$	103,247	1,350,878,165
Due from related parties	US$	532,609	6,968,656,156
Total			25,790,865,912

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

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

	Amount in Foreign Currencies		Rupiah Equivalents
Liabilities			
Other payables - related parties	US$	36,067	471,904,907
Accrued expenses	US$	94,909	1,241,788,572
Due to hotel operator	US$	15,133	197,994,915
Total			1,911,688,394
Net Assets			**23,879,177,518**

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, 2015 or at any other rates of exchange.

24. 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 detail 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 15.

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, all of the Company's liabilities will be due in one year. The Company has current ration at 2.77 and 1.91 as of March 31, 2015 and 2014, respectively.

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

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.

25. 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 covering the periods beginning on or after April 1, 2015:

Effective beginning on or after April 1, 2015

- PSAK 1 (2013): Presentation of Financial Statements, adopted from International Accounting Standard ("IAS") 1
- This PSAK changed the grouping of items presented in Other Comprehensive Income. Items that can be reclassified to profit or loss are presented separately from items that will never be reclassified.
- PSAK No. 24 (2013), "Employee Benefits" adopted from IAS 19

  This PSAK removes the corridor mechanism and contingent liability disclosures and requires only simple clarifications and disclosures.
- PSAK No. 46 (2014), "Income Taxes", adopted from IAS 12

  This PSAK provides additional guidance for deferred tax asset or deferred tax liability arising from a non-depreciable asset measured using the revaluation model and from investment property that is measured using the fair value model.
- PSAK No. 48 (2014), "Impairment of Assets", adopted from IAS 36

  This PSAK provides additional disclosure for each individual asset (including goodwill) or a cash-generating unit, for which an impairment loss has been recognized or reversed during the period.
- PSAK No. 50 (2014), "Financial Instruments: Presentation", adopted from IAS 32

  This PSAK provides guidance on the criteria of legally enforceable right to set off recognized amounts and to settle on a net basis
- PSAK No. 55 (2014), "Financial Instruments: Recognition and Measurement", adopted from IAS 39

  This PSAK provides additional guidance on the criteria of non-expiration or termination of hedging instrument, and accounting for financial instruments at the measurement date and after initial recognition.
- PSAK No. 60 (2014), "Financial Instruments: Disclosures", adopted from International Financial Reporting Standards ("IFRS") 7

  This PSAK provides additional guidance on offsetting disclosures with quantitative and qualitative information, and disclosures on transfers of financial instruments from one classification to another.
- PSAK No. 68, "Fair Value Measurment", adopted from IFRS 13

  This PSAK provides guidance on how to measure fair value when fair value is required or permitted.

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