

EIH Investment N.V.

**Annual Financial Report
31 March 2018**

**EIH Investment N.V.
(Curacao)**

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EIH Investment N.V. (Curaçao) Director's Report

DIRECTORS

The Director presents their report on the Company for the year ended 31 March 2018.

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

Intertrust (Curaçao) B.V.
Kaya W.F.G. (Jombi) Mensing 14, 2nd Floor
Curaçao

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

PRINCIPAL ACTIVITIES

The Company's principal activities are to act as a holding and finance company. It is expected that the activities of the Company will remain unchanged.

OPERATING AND FINANCIAL REVIEW

The net profit/(loss) of the Company for the year was \$166,807 (2017: \$81,844) after providing for income tax of \$4,374 (2017: \$4,480).

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 requires 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's 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.

**EIH Investment N.V. (Curacao)
Directors' Report (continued)**

DIVIDENDS

During the year a dividend totalling \$149,803 (2017: \$86,047) was declared.

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.

Signed in accordance with a resolution of the Director:

Curacao, 16 May 2018

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EIH Investment N.V. (Curacao)
Statement of Comprehensive Income
For the year ended 31 March 2018
(Expressed in United States dollars)

	Note	31-Mar-18 \$	31-Mar-17 \$
Revenue			
Royalty Income		123,845	164,843
Expenses			
Royalty expenses		115,176	153,304
Administration and general expenses		9,972	11,262
Total expenses		125,148	164,566
Other Income/(Expense)			
Dividend income		172,484	86,047
Total Other Income		172,484	86,047
Profit before taxation		171,181	86,324
Taxation (expense)/benefit		(4,374)	(4,480)
Profit after Taxation		166,807	81,844
Other Comprehensive Income			
Total Comprehensive Income		166,807	81,844

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

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EIH Investment N.V. (Curacao)
Statement of Financial Position
As at 31 March 2018
(Expressed in United States Dollars)

	Note	31-Mar-18 \$	31-Mar-17 \$
Non-Current Assets			
Investment in subsidiary	3	408,612	408,612
Amount due from related company	4	15,749,365	15,749,365
Total Non-Current Assets		16,157,977	16,157,977
Current Assets			
Amount due from related company		391,076	296,162
Total Current Assets		391,076	296,162
Total Assets		16,549,053	16,454,139
Current Liabilities			
Amount due to shareholder		227,724	150,014
Total Current Liabilities		227,724	150,014
Non-Current Liabilities			
Amount due to shareholder	5	16,157,977	16,157,977
Total Non-Current Liabilities		16,157,977	16,157,977
Total Liabilities		16,385,701	16,307,991
Net Assets		163,352	146,148
Shareholders' Equity:			
Share capital	1	6,000	6,000
Retained earnings		157,352	140,148
		163,352	146,148

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

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EIH Investment N.V. (Curacao)
Statement of Changes in Equity
For the year 31 March 2018
(Expressed in United States dollars)

	Note	Share Capital \$	Retained Earnings \$	Total Equity \$
As at 1 April 2017	1	6,000	140,148	146,148
Profit for year		-	166,807	166,807
Other comprehensive income		-	-	-
Dividend paid		-	(149,603)	(149,603)
As at 31 March 2018	1	6,000	157,352	163,352

	Note	Share Capital \$	Retained Earnings \$	Total Equity \$
As at 1 April 2016	1	6,000	144,351	150,351
Profit for year		-	81,844	81,844
Other comprehensive income		-	-	-
Dividend paid		-	(86,047)	(86,047)
As at 31 March 2017	1	6,000	140,148	146,148

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

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EIH Investment N.V. (Curacao)
Notes to the Financial Statements
For the year ended 31 March 2018
(Expressed in United States Dollars)

1. Corporate information

The financial report of EIH Investment N.V. (the "Company") for the year ended 31 March 2018 was authorised for issue on May 2018.

EIH Investment N.V. is a company limited by shares and was incorporated in the (former) Netherlands Antilles on 22 May 1997. The authorised share capital of the Company consists of 30,000 common shares with a par value of USD 1 each (US\$30,000). At statement of financial position date, 6,000 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

The financial report has been prepared in accordance with the requirements of International Financial Reporting Standards ('IFRS'), with the following exceptions:

- IFRS 10 "Consolidated Financial Statements", as consolidated financial statements have not been prepared.
- IAS 28 "Investments in Associates and Joint Ventures", as investments in associates held by the company are recorded at cost.

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

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

The Director has opted not to prepare consolidated financial statements.

A statement of cash flows has not been prepared given that there were no cash transactions during the year.

(b) Compliance with IFRS

The financial report complies with International Financial Reporting Standards as issued by the International Accounting Standards Board, to the extent outlined above.

(c) Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year. The impact of issued and effective accounting standards is not material to the Company.

EIH Investment N.V. (Curacao)
Notes to the Financial Statements (continued)
For the year ended 31 March 2018
(Expressed in United States dollars)

2. Summary of Significant Accounting Policies (continued)

(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 United States dollars 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.

(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.

Investments and financial assets are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

(g) Investments

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

EIH Investment N.V. (Curacao)
Notes to the Financial Statements (continued)
For the year ended 31 March 2018
(Expressed in United States dollars)

2. Summary of Significant Accounting Policies (continued)

(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.

(k) 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.

(l) 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.

3. Investment in Subsidiary

Represents a 100% investment in EIH Management Services B.V. Participation is accounted for on a cost basis.

4. Amount Due From Related Company

The amount represents US\$15,749,365 in loans granted to EIH Management Services BV which are unsecured. The loan of US\$10,866,542 bears interest at a rate of 5% per annum and the loan of US\$4,882,823 bears interest at LIBOR + 2% per annum. The interest on these loans for the year 2017/18 was waived.

EIH Investment N.V. (Curacao)
Notes to the Financial Statements (continued)
For the year ended 31 March 2018
(Expressed in United States dollars)

5. Amount Due to Shareholder

The Company received loans amounting to US\$16,157,977 from EIH Holdings Ltd which are unsecured. The loan of US\$11,275,154 bears interest at a rate of 5% per annum and the loan of US\$4,882,823 bears interest at LIBOR + 2% per annum. The interest on these loans for the year 2017/18 was waived.

6. Events After Statement of Financial Position Date

No material subsequent events or transactions have been identified.

7. Commitments and Contingencies

There are no outstanding commitments and contingencies at year end.

8. Auditor's Remuneration

	31-Mar-18	31-Mar-17
	\$	\$
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	-	-
	<u>-</u>	<u>-</u>

EIH Investment N.V. (Curacao)
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 2018;
- (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 2018; 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

This statement has been made in accordance with a resolution of the Director

Curaçao, 16 May 2018

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Independent Auditor's Report to the Members of EIH Investment N.V.

Opinion

We have audited the financial report of EIH Investment N.V. (the Company), which comprises the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note 2 to the financial report which describes the basis of accounting. The financial report is prepared to assist the directors of EIH Investment N.V. to meet their financial reporting requirements. As a result the financial report may not be suitable for another purpose. Our report is intended solely for the members of EIH Investment N.V. and should not be distributed to parties other than the members.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Ernst & Young
Adelaide
16 May 2018