

# EIH INVESTMENT N.V.

## BOARD

ATC Corporate Services (Curacao) N.V.

## AUDITORS

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

## REGISTERED OFFICE

Chuchubiweg 17,  
Curacao  
Netherlands Antilles

# DIRECTORS' REPORT

## DIRECTORS

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

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

ATC Corporate Services (Curacao) N.V.  
Chuchubiweg 17,  
Curacao  
Netherlands Antilles

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 loss of the Company for the year was \$345,992 (2010: profit of \$10,660) after providing for income tax of \$4,687 (2010: tax benefit of \$3,586).

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

## EVENTS AFTER THE BALANCE DATE

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

## SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no significant changes in state of affairs.

The results of the Company'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.

## DIVIDENDS

The Director does not recommend the payment of a final dividend for the year ended 31 March 2011.

## SHARE OPTIONS

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

## AUDITORS INDEPENDENCE

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

Signed in accordance with a resolution of Directors.

Curacao  
3 May, 2011

ATC Corporate Services (Curaçao) N.V.  
*Director*

# Statement of Comprehensive Income for the year ended 31 March 2011

(Expressed in United States dollars)

	31 March 2011 \$	31 March 2010 \$
<b>Revenue</b>		
Royalty Income	<u>321,542</u>	<u>347,468</u>
<b>Expenses</b>		
Royalty Expenses	299,034	323,145
Professional Expenses	–	8,000
Administration and general expenses	6,679	9,249
Other Expenses	<u>357,131</u>	<u>–</u>
<b>Total Expenses</b>	<u>662,844</u>	<u>340,394</u>
<b>Other Income/(Expense)</b>		
Other Income	<u>–</u>	<u>–</u>
Total Other Income	<u>–</u>	<u>–</u>
Profit before taxation	(341,302)	7,074
Taxation (expense)/benefit	<u>(4,690)</u>	<u>3,586</u>
Profit/(loss) after taxation	(345,992)	10,660
Other Comprehensive Income	<u>–</u>	<u>–</u>
<b>Total Comprehensive Income</b>	<u>(345,992)</u>	<u>10,660</u>

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

# Statement of Financial Position as at 31 March 2011

(Expressed in United States dollars)

	Note	31 March 2011 \$	31 March 2010 \$
<b>Non-Current Assets</b>			
Investment in subsidiary	3	408,612	408,612
Amount due from related Company	4	15,749,365	15,749,365
Total Non-Current Assets		<u>16,157,977</u>	<u>16,157,977</u>
<b>Current Assets</b>			
Amounts due from related Company		<u>472,986</u>	<u>458,974</u>
Total Current Assets		<u>472,986</u>	<u>458,974</u>
Total Assets		<u>16,630,963</u>	<u>16,616,951</u>
<b>Current Liabilities</b>			
Amount due to shareholder		<u>360,004</u>	<u>—</u>
Total Current Liabilities		<u>360,004</u>	<u>—</u>
<b>Non-Current Liabilities</b>			
Amounts due to shareholder	5	<u>16,157,977</u>	<u>16,157,977</u>
Total Non-Current Liabilities		<u>16,157,977</u>	<u>16,157,977</u>
Total Liabilities		<u>16,517,981</u>	<u>16,157,977</u>
Net Assets		<u>112,982</u>	<u>458,974</u>
<b>Shareholders' Equity</b>			
Share Capital	1	6,000	6,000
Retained Earnings		<u>106,982</u>	<u>452,974</u>
		<u>112,982</u>	<u>458,974</u>

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

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

(Expressed in United States dollars)

	Note	Share Capital \$	Retained earnings \$	Total Equity \$
<b>As at 1 April 2010</b>	1	6,000	452,974	458,974
Profit for year		–	(345,992)	(345,992)
Other Comprehensive Income		–	–	–
<b>As at 31 March 2011</b>	1	<u>6,000</u>	<u>106,982</u>	<u>112,982</u>
<b>As at 1 April 2009</b>	1	6,000	442,314	448,314
Profit for the year		–	10,660	10,660
Other Comprehensive Income		–	–	–
<b>As at 31 March 2010</b>	1	<u>6,000</u>	<u>452,974</u>	<u>458,974</u>

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

# Notes to the Financial Statements for the year ended 31 March 2011

(Expressed in United States dollars)

## 1. Corporate Information

The financial report of EIH Investment N.V. (the "Company") for the year ended 31 March 2011 was authorised for issue on 3 May 2011.

EIH Investment N.V. is a company limited by shares and was incorporated in the 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 27 "Consolidated and Separate Financial Statements", as consolidated financial statements have not been prepared.
- IFRS 28 "Investments in Associates", 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.

### (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.

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

(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.

(g) Investments

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.

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

(h) Deferred Taxation

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

(i) Contributed Equity

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

(j) Revenue recognition

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

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

### 3. 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\$10,674,233 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 2010/11 was waived.

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

### 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 2010/11 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 March 2011	31 March 2010
	\$	\$
Amounts received or due and receivable for:		
– an audit or review of the financial report of the Company and any other entity in the Company	–	–
– other services in relation to the Company and any other entity in the Company	–	–
	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>



## Directors' Statement

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In the opinion of the Director:

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

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

Curacao  
3 May, 2011

ATC Corporate Services (Curaçao) N.V.  
*Director*

## Independent Auditor's Report

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To the Members of  
EIH Investment N.V.

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

### **Director's Responsibility for the Financial Report**

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

### **Auditor's Responsibility**

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also

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

includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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

### **Independence**

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

### **Auditor's Opinion**

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

ERNST & YOUNG

Adelaide  
3 May 2011

DAVID SANDERS  
*Partner*