

EIH Management Services B.V.

**Annual Financial Report
31 March 2015**

EIH Management Services B.V.
(Amersfoort)

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EIH Management Services B.V Director's Report

DIRECTORS

The Director presents their report on the Company for the year ended 31 March 2015.

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

TMF Management B.V.
Herikerbergweg 238
Luna Arena
1101 CM Amsterdam
The Netherlands

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

PRINCIPAL ACTIVITIES

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

OPERATING AND FINANCIAL REVIEW

The net profit/(loss) of the Company for the year was (€2,057,146) (2014: €810,320) after providing for income tax of €Nil (2014: €Nil).

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

EVENTS AFTER THE BALANCE DATE

No material matters or circumstances have arisen since the end of the year that 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 operations during the year have not, in the opinion of the Director, been affected by any item, transaction or event of a material or unusual nature.

RISK MANAGEMENT

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

EIH Management Services B.V. Director's Report (continued)

DIVIDENDS

A dividend of €160,854 (2014: €128,166) has been declared and paid during the preceding year ended 31 March 2015.

SHARE OPTIONS

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

AUDITORS INDEPENDENCE

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

DIRECTOR'S STATEMENT

In the opinion of the Director:

- (a) the statement of comprehensive income and statement of changes in equity is drawn up so as to give a true and fair view of the results of the Company for the year ended 31 March 2015;
- (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 2015; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Amsterdam, 4 May 2015

TMF Management B.V

EIH Management Services B.V.
Statement of Comprehensive Income
For the year ended 31 March 2015
(Expressed in Euros)

	Note	31-Mar-15 €	31-Mar-14 €
Turnover	3	345,612	377,741
Dividend income		154,471	131,141
Interest income		24	36
Unrealised foreign exchange gain		-	618,415
Total Income		500,107	1,127,333
Expenses			
Management fee expenses		261,525	285,837
Administration and other expenses		45,963	31,176
Unrealised foreign exchange loss		2,249,765	-
Total Expenses		2,557,253	317,013
Profit / (loss) before Taxation		(2,057,146)	810,320
Taxation expense		-	-
Profit / (loss) after Taxation		(2,057,146)	810,320
Other Comprehensive Income		-	-
Total Comprehensive Income / (Loss)		(2,057,146)	810,320

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

EIH Management Services B.V
Statement of Financial Position
As at 31 March 2015
(Expressed in Euros)

	Note	31-Mar-15 €	31-Mar-14 €
Non-Current Assets			
Investment in subsidiary	4	2,549,683	2,549,683
Investment in associate	4	7,632,705	7,632,705
Amount due from related parties	5	4,183,669	3,300,942
Total Non-Current Assets		14,366,057	13,483,330
Current Assets			
Cash and cash equivalents		8,566	9,235
Other receivables and prepayments		9,787	10,506
Total Current Assets		18,353	19,741
Total Assets		14,384,410	13,503,071
Current Liabilities			
Accruals		19,666	12,732
Amount due to related parties	6	299,664	269,918
Total Current Liabilities		319,330	282,650
Non-Current Liabilities			
Amount due to shareholder	6	14,515,410	11,452,751
Total Non-Current Liabilities		14,515,410	11,452,751
Total Liabilities		14,834,740	11,735,401
Net Assets / (Liabilities)		(450,330)	1,767,670
Equity:			
Issued Share capital		18,200	18,200
Share Premium		375,000	375,000
Retained earnings		(843,530)	1,374,470
Total Equity		(450,330)	1,767,670

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

EIH Management Services B.V.
Statement of Changes in Equity
For the year ended 31 March 2015
(Expressed in Euros)

	Share Capital €	Retained Earnings €	Total Equity €
As at 1 April 2013	393,200	692,316	1,085,516
Profit for year	-	810,320	810,320
Dividend paid	-	(128,166)	(128,166)
Other comprehensive income	-	-	-
As at 31 March 2014	<u>393,200</u>	<u>1,374,470</u>	<u>1,767,670</u>
	Share Capital €	Retained Earnings €	Total Equity €
As at 1 April 2014	393,200	1,374,470	1,767,670
Profit for year	-	(2,057,146)	(2,057,146)
Dividend paid	-	(160,854)	(160,854)
Other comprehensive income	-	-	-
As at 31 March 2015	<u>393,200</u>	<u>(843,530)</u>	<u>(450,330)</u>

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

EIH Management Services B.V.
Statement of Cash Flows
For the year ended 31 March 2015
(Expressed in Euro)

	Note	31-Mar-15 €	31-Mar-14 €
Cash flows from operating activities			
(Loss)/Profit before taxation		(2,057,146)	810,320
<i>Adjustment for:</i>			
Interest income		(24)	(36)
Unrealised foreign currency (gain)/loss		3,062,658	(618,415)
<i>(Increase)/Decrease in assets:</i>			
(Increase)/Decrease in receivables and prepayments		719	4,557
(Increase)/Decrease in related party receivables		(882,727)	240,894
<i>(Decrease)/Increase in liabilities:</i>			
Increase/(decrease) in accruals		6,935	(11,748)
Increase/(decrease) in related party payables		29,746	(300,134)
Cash generated from operations		160,161	125,438
Interest paid		-	-
Net cash flows generated / (used) in operating activities		160,161	125,438
Cash flows from investing activities			
Interest received		24	36
Dividend paid		(160,854)	(128,167)
Net cash flows from investing activities		(160,830)	(128,131)
Cash flows from financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		(669)	(2,693)
Cash and cash equivalents at beginning of year		9,235	11,928
Cash and cash equivalents at end of year		8,566	9,235

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

EIH Management Services B.V.
Notes to the Financial Statements
For the year ended 31 March 2015
(Expressed in Euro)

1. Corporate information

The financial report of EIH Management Services B.V. (the "Company") for the year ended 31 March 2015 was authorised for issue on 4 May 2015.

The Company was incorporated on 11 September 1997.

The authorised share capital of the Company consists of 1,820 shares with a par value of Euros 50 each (Euros 91,000). At 31 March 2015, 364 shares were issued and fully paid.

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

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

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

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

(b) Fair Value

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

(c) Financial risk management

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

EIH Management Services B.V.
Notes to the Financial Statements (continued)
For the year ended 31 March 2015
(Expressed in Euros)

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 Euros at the exchange rates ruling at the balance date.

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

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

(e) Cash and Cash Equivalents

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

(f) Receivables

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

(g) Investments

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

(h) Deferred Taxation

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

EIH Management Services B.V.
Notes to the Financial Statements (continued)
For the year ended 31 March 2015
(Expressed in Euros)

2. Summary of Significant Accounting Policies (continued)

(i) Contributed Equity

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

(j) Revenue recognition

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

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

3. Management Fee Income

Turnover represents management fee income.

4. Investments

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

Name	Place of Incorporation	Percentage of equity attributable to the Company	€
PT Waka Oberoi Indonesia	Indonesia	57.03%	2,549,683
PT Widja Putra Karya	Indonesia	48.89%	7,632,705

5. Amount due from related party

The amount due from related party is comprised an amount due from PT Waka Oberoi Indonesia amount of Euros 4,183,669 (US \$4,539,323).

The above amount represents loan to PT Waka Oberoi Indonesia for a nominal amount of US\$26,016,500 and is non-interest bearing. The terms of the loan as per the Settlement Agreement, dated 1 May 2009 (amended March 30, 2015) grants the Company the right to convert the Loan into the capital of PT Waka Oberoi Indonesia and it is the Company's intention to convert the Loan into the capital of PT Waka Oberoi Indonesia. The terms of the Settlement Agreement also states that the loan will bear interest of 11.5% per annum starting April 1, 2016.

EIH Management Services B.V.
Notes to the Financial Statements (continued)
For the year ended 31 March 2015
(Expressed in Euros)

6. Amount due to related party

The amount which represents loans of US\$15,749,365 due to EIH Investment N.V., and is unsecured. The loan of US\$10,866,542 bears an interest of 5% per annum and loan of US\$4,882,823 bears interest at LIBOR + 2% per annum. The interest on these loans for the year 2014/15 is waived.

7. Staff numbers and employment costs

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

8. Appropriation of results

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

9. Events after Statement of Financial Position Date

No material subsequent events or transactions have been identified.

10. Commitments and Contingencies

There are no outstanding commitments and contingencies at year end.

EIH Management Services B.V.
Notes to the Financial Statements (continued)
For the year ended 31 March 2015
(Expressed in Euros)

11. Auditor's Remuneration

	<u>31-Mar-15</u> €	<u>31-Mar-14</u> €
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>

Auditors' remuneration for the year was borne by a related party.

Independent auditor's report to the members of EIH Management Services B.V.

We have audited the accompanying financial report of EIH Management Services B.V., which comprises the statement of financial position as at 31 March 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' statement.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet their financial reporting requirements meet the needs of the members. The directors are also responsible for such controls as they determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with International Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of EIH Management Services B.V. as of 31 March 2015 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 2 to the financial statements.

Basis of Accounting and Restriction on Distribution

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 Management Services B.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 Management Services B.V. and should not be distributed to parties other than the members.

Ernst & Young

Dayle Sanders
Partner

Adelaide
4 May 2015