



Samsonite International S.A.

(Société Anonyme)

Annual accounts

As at December 31, 2015

(with the report of the Réviseur d'Entreprises Agréé thereon)

Address of the registered office:

13–15, Avenue de la Liberté
L-1931 Luxembourg

R.C.S. Luxembourg: B 159.469

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To the Shareholders
Samsonite International S.A.
13-15, Avenue de la Liberté
L-1931 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

We have audited the accompanying annual accounts of Samsonite International S.A., which comprise the balance sheet as at December 31, 2015, the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

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 annual accounts give a true and fair view of the financial position of Samsonite International S.A. as of December 31, 2015, and of the results of its operations for the year then ended, in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, March 16, 2016

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé



Jean-Manuel Sérís

Directors' report

SAMSONITE INTERNATIONAL S.A.

Société anonyme

Registered office: 13–15, Avenue de la Liberté, L-1931 Luxembourg

R.C.S. Luxembourg: B 159.469

(the “**Company**”)

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS OF THE COMPANY RELATING TO THE STATUTORY ANNUAL ACCOUNTS (STAND ALONE ANNUAL ACCOUNTS) OF THE COMPANY FOR THE PERIOD FROM JANUARY 1, 2015 TO DECEMBER 31, 2015

March 16, 2016

Dear Shareholders,

We are pleased to present you the Company's statutory annual accounts (stand alone annual accounts), being the balance sheet, the profit and loss account as well as the notes for the financial year having started on January 1, 2015 and ended on December 31, 2015 (the “**Financial Year**”).

At the end of the Financial Year, the share capital of the Company amounts to US\$14,098,335.25 and the authorized share capital of the Company (including the issued share capital of the Company) amounts to US\$1,012,800,369.99, represented by 101,280,036,999 shares having a par value of US\$0.01 each.

At the end of the Financial Year, the Company's issued share capital is represented by 1,409,833,525 shares with a par value of US\$0.01 each, all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The principal activity of the operating subsidiaries of the Company is the design, manufacture, sourcing and distribution of luggage, business and computer bags, outdoor and casual bags, travel accessories and slim protective cases for personal electronic devices throughout the world, primarily under the *Samsonite*®, *American Tourister*®, *High Sierra*®, *Hartmann*®, *Lipault*®, *Speck*® and *Gregory*® brand names as well as other owned and licensed brand names.

On February 10, 2015, the Company entered into an employment agreement with Mr. Ramesh Dungarmal Tainwala in order to, among other things, (i) determine the terms and conditions governing his mandate as Chief Executive Officer of the Company and (ii) fix his remuneration as Chief Executive Officer of the Company, consisting in a fixed base salary of US\$1,000,000 per annum, housing, car and other allowances, and an annual bonus under the Company's management incentive plan, along with the entitlement to participate in the Company's share award scheme adopted by the shareholders of the Company on September 14, 2012, as amended on January 8, 2013 (the “**Share Award Scheme**”) and the Company's management incentive plan.

On February 16, 2015, several indirect subsidiaries of the Company (being (i) Samsonite IP Holdings S.à r.l., (ii) Samsonite Limited, (iii) Samsonite Australia Pty Limited, (iv) Samsonite A/S, (v) Samsonite GmbH, (vi) Samsonite Asia Limited, and (vii) Samsonite Macau Lda) completed the acquisition of the business of retailing luggage, travel accessories and other ancillary products carried out under the *Rolling Luggage*® trade name in airports and certain other transportation facilities.

Directors' report

On September 30, 2015, Samsonite S.p.A., an indirect wholly-owned subsidiary of the Company, completed the acquisition of the business of retailing accessories, ladies handbags, travel luggage and business products primarily under the *Chic Accent*[®] trade name in shops located in shopping malls in Italy.

On October 9, 2015, the Company entered with effect from April 6, 2015 into a framework agreement with Abhishri Packaging Private Limited, a company incorporated in India, for an initial term until December 31, 2017. Pursuant to terms of this framework agreement, the Company and Abhishri Packaging Private Limited agree that all transactions between Abhishri Packaging Private Limited and any members of the Company's group for the sale of components and finished products and the provision of manufacturing services by Abhishri Packaging Private Limited to members of the Company's group:

- shall be in writing and shall incorporate the Company's group's general purchase conditions and standard supplier agreement terms;
- shall be on normal commercial terms, which shall mean pricing and payment terms no less favourable to the Company's group than those available from independent third party suppliers for comparable components, finished products or manufacturing services; and
- shall be in compliance with all applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On December 21, 2015, the Company entered into:

- a renewed framework agreement between the Company and Samsonite South Asia Private Limited, an indirect subsidiary of the Company, ("**Samsonite India**") pursuant to which the Company and Samsonite India agree to continue, for a new period of three years, effective from January 1, 2016, transactions between Samsonite India and other members of the Company's group including:
 - o the purchase by Samsonite India of raw materials, components, spare parts, finished products and capital assets from other members of the Company's group;
 - o the sale of finished products by Samsonite India to other members of the Company's group;
 - o the receipt and payment by Samsonite India of cross-charges and fees in relation to the sharing of global marketing, promotion and product development costs between members of the Company's group; and
 - o the payment by Samsonite India of royalties in respect of intellectual property rights licensed to Samsonite India.
- a renewed framework agreement between the Company and Samsonite Middle East FZCO, an indirect subsidiary of the Company, ("**Samsonite Middle East**") pursuant to which the Company and Samsonite Middle East agree to continue, for a new period of three years, effective from January 1, 2016, transactions between Samsonite Middle East and other members of the Company's group including:
 - o the purchase by Samsonite Middle East of finished products from other members of the Company's group;

Directors' report

- o the receipt and payment by Samsonite Middle East of cross-charges and fees in relation to the sharing of global marketing, promotion, product development and personnel costs between members of the Company's group; and
- o the payment by Samsonite Middle East of royalties in respect of intellectual property rights licensed to Samsonite Middle East.

During the Financial Year, no advance was drawn down by the Company on the interest bearing master loan facility of a maximum principal amount of US\$10,000,000 granted on September 16, 2014 to the Company by Samsonite Sub Holdings S.à r.l., the direct wholly-owned subsidiary of the Company.

During the Financial Year, the Company did not proceed with any acquisition of its own shares.

The Company has a branch named "Samsonite International S.A., Hong Kong Branch" and located at 25th Floor, Tower 2, The Gateway, Harbour City, Kowloon, Hong Kong.

Of the options granted by the board of directors of the Company, respectively, on January 8, 2013 and on January 7, 2014 pursuant to the rules of the Share Award Scheme, 1,289,347 options and 517,722 options were exercised during the Financial Year.

On January 7, 2015 pursuant to the rules of the Share Award Scheme, the Company's board of directors granted the following share options:

- 16,006,812 share options to certain Company's directors and employees of the Company and its subsidiaries to subscribe for a total of 16,006,812 new ordinary shares with a nominal value of US\$0.01 each in the capital of the Company for an exercise price of HK\$23.31 (the "**2015 Options**"). Such 2015 Options are subject to pro rata vesting over a 4 year period, with 25% of the options vesting on each anniversary of the grant date. The 2015 Options have a 10 year term; and
- 10,040,399 share options to a Company's director and five additional members of the Company's senior management team to subscribe for a total of 10,040,399 new ordinary shares with a nominal value of US\$0.01 each in the capital of the Company for an exercise price of HK\$23.31 (the "**2015 Senior Management Options**"). Such 2015 Senior Management Options are subject to vesting in respect of 60% of the total number of shares in the Company issuable under the 2015 Senior Management Options on the third anniversary of the grant date and in respect of 40% of the total number of shares in the Company issuable under the 2015 Senior Management Options on the fifth anniversary of the grant date. The 2015 Senior Management Options have a 10 year term.

On August 31, 2015, the Company granted a share option exercisable for ordinary shares to an employee of a Company's subsidiary pursuant to the rules of the Share Award Scheme. The option granted entitles the grantee to subscribe for 114,158 new ordinary shares with a nominal value of US\$0.01 each in the capital of the Company for an exercise price of HK\$24.15. Such option is subject to pro rata vesting over a 4 year period, with 25% of the option vesting on each anniversary of the grant date. The option has a 10 year term and will lapse on August 30, 2025 (the "**2015 Further Options**").

There were no 2015 Options, 2015 Senior Management Options nor 2015 Further Options exercised during the Financial Year and neither the 2015 Options, the 2015 Senior Management Options nor the 2015 Further Options were exercisable at December 31, 2015.

Directors' report

With effect from April 1, 2016, Mr. Tom Korbas, director of the Company and the president of the Company's North America division, will retire from his role as president of the Company's North America division. Following his retirement, Mr. Tom Korbas will continue to serve as a consultant to the business in North America. Ms. Lynne Berard, who currently serves as vice president and general manager, sales and marketing for American wholesale, will succeed Mr. Tom Korbas as president of the Company's North America division upon his retirement.

During the Financial Year, the Company did not engage in any research and/or development activity.

No specific risk or uncertainty was identified by the Company's directors that could have an influence on the development and performance of the Company's business and position.

The Company will continue to exercise its activities of holding company during the next financial year.

The operating results indicate a loss for the Financial Year of US\$7,566,831.77. The balance sheet total amounts to US\$2,337,657,877.15 as at December 31, 2015.

We propose to approve the annual accounts for the financial year ending December 31, 2015 as presented to you and to carry forward the loss of US\$7,566,831.77 to the next financial year.

We recommend that a cash distribution in the amount of US\$93,000,000 (the "**Distribution**") be made to the Company's shareholders from its ad hoc distributable reserve created on June 14, 2011. The payment of this Distribution shall be made in United States dollars, except that payment to shareholders whose names appear on the register of shareholders in Hong Kong shall be made in Hong Kong dollars.

We remind you that this Distribution will be subject to your approval at the forthcoming annual general meeting of the Company to be held in Luxembourg on June 2, 2016 at 10.00 a.m.

Finally, by special resolution, we kindly request you to grant discharge to the members of the board of directors of the Company and to the approved statutory auditor (*réviseur d'entreprises agréé*) for the performance of their duties during the Financial Year.



By: Kyle F. Gendreau
Capacity: Director

Balance Sheet

As at December 31, 2015
(expressed in USD)

	Note(s)	12/31/2015	12/31/2014
ASSETS			
Fixed assets			
Financial fixed assets	3		
Shares in affiliated undertakings	3.1	2,334,943,754.10	2,422,943,754.10
		2,334,943,754.10	2,422,943,754.10
Current assets			
Debtors	2.4, 4		
Amounts owed by affiliated undertakings <i>becoming due and payable within one year</i>	4.1	75,069.30	1,949,271.66
Other receivables <i>becoming due and payable within one year</i>	4.2	440,935.25	13,341.47
		516,004.55	1,962,613.13
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	5	2,156,046.82	2,994,970.90
Prepayments		42,071.68	44,199.44
TOTAL ASSETS		2,337,657,877.15	2,427,945,537.57

The accompanying notes form an integral part of these annual accounts.

Balance Sheet

	Note(s)	12/31/2015	12/31/2014
LIABILITIES			
Capital and reserves	6		
Subscribed capital		14,098,335.25	14,080,264.56
Share premium and similar premiums		230,812,775.45	226,402,972.35
Reserves			
Other reserves		2,105,253,863.75	2,193,253,863.75
Profit brought forward		(9,557,886.31)	(2,312,685.68)
Result for the financial year		(7,566,831.77)	(7,245,200.63)
		2,333,040,256.37	2,424,179,214.35
Provisions	2.5, 7		
Provisions for taxation	7.1	54,748.30	47,537.80
Other provisions	7.2	720,559.58	853,870.00
		775,307.88	901,407.80
Non subordinated debts	2.6, 8		
Amounts owed to credit institutions			
<i>becoming due and payable within one year</i>	8.1	50,141.91	6,510.02
Trade creditors			
<i>becoming due and payable within one year</i>	8.2	72,102.23	56,476.47
Amounts owed to affiliated undertakings			
<i>becoming due and payable within one year</i>	8.3	2,720,068.80	2,801,928.93
Other liabilities	8.4	999,999.96	—
		3,842,312.90	2,864,915.42
TOTAL LIABILITIES		2,337,657,877.15	2,427,945,537.57

The accompanying notes form an integral part of these annual accounts.

Profit and Loss Account

For the year ended December 31, 2015
(expressed in USD)

	Note	01/01/2015– 12/31/2015	01/01/2014– 12/31/2014
CHARGES			
Other external charges	9	8,712,066.63	7,923,017.28
Staff costs			
Salaries and wages	10	2,693,264.31	720,005.61
Social security on salaries and wages		773.95	719.82
		2,694,038.26	720,725.43
Interest and other financial charges			
<i>other interests and similar financial charges</i>	11	449,564.94	7,488.36
Extraordinary charges	12	49,450.19	20.29
Income tax	13	7,210.50	4,338.64
Other taxes not included in the previous caption	14	—	84.68
TOTAL CHARGES		11,912,330.52	8,655,674.68
INCOME			
Other operating income	15	3,851,490.79	1,188,511.43
Other interests and other financial income			
<i>other interest and similar financial income</i>	16	494,007.96	221,962.62
Loss for the financial year		7,566,831.77	7,245,200.63
TOTAL INCOME		11,912,330.52	8,655,674.68

The accompanying notes form an integral part of these annual accounts.

Notes to the annual accounts

As at December 31, 2015
(expressed in USD)

1. GENERAL

Samsonite International S.A. (“**the Company**”) was incorporated on March 8, 2011 and organized under the laws of Luxembourg as a “société anonyme” for an unlimited period.

The registered office of the Company is at 13–15 Avenue de la Liberté, L-1931 Luxembourg. The Company is registered with the Register of Commerce of Luxembourg under the section B Number 159.469.

The Company’s financial year starts on January 1 and ends on December 31 of each year.

The purpose of the Company is the holding of participations, in any form whatsoever, in Luxembourg and foreign companies and any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, control and development of its portfolio. It may in particular acquire by way of contribution, subscription, option, purchase or otherwise all and any transferable securities of any kind and realise the same by way of sale, transfer, exchange or otherwise.

The Company may likewise acquire, hold and assign, as well as license and sub-license all kinds of intellectual property rights, including without limitation, trademarks, patents, copyrights and licenses of all kinds. The Company may act as licensor or licensee and it may carry out all operations which may be useful or necessary to manage, develop and profit from its portfolio of intellectual property rights.

The Company may borrow and grant all and any support, loans, advances or guarantees to companies in which it holds a direct or indirect participating interest or which form part of the same group of companies as the Company.

The Company may also carry out any and all operations in relation to its business, both in Luxembourg and abroad, including, but not limited to, the design, manufacture, marketing, importation, exportation, warehousing, distribution and sale of, among others, luggage, bags, travel, and other accessories and related goods, as well as all products and materials used in manufacture.

The Company may moreover carry out all and any commercial, industrial and financial operations, both movable and immovable, which may directly or indirectly relate to its own corporate purpose or likely to promote its development or fulfillment.

The Company has been listed on the Main Board of the Stock Exchange of Hong Kong Limited since June 16, 2011.

The Company has set up a branch in Hong Kong on December 12, 2011. From a Hong Kong law perspective, the Company has established a Place of Business in Hong Kong since April 16, 2011 and has been registered as a “Non-Hong Kong company” under Part XI of the Hong Kong Companies Ordinance since May 26, 2011.

The Company also prepares consolidated financial statements, which are published according to the provisions of the Luxembourg law.

Notes to the annual accounts

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the going concern assumption and the historical cost convention.

The annual accounts have been prepared in accordance with legal and regulatory requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg. Accounting policies and valuation principles are, besides the ones laid down by the law of December 19, 2012, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and its results fairly.

The books and records are maintained in US dollars (USD) and the annual accounts have been prepared in accordance with the valuation rules and accounting policies described below.

2.2 Basis of conversion for items originally expressed in foreign currency

Transactions expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction.

Other assets and liabilities are valued individually at the lower, respectively the higher of their value at the historical exchange rate or their value determined at the exchange rates prevailing at the balance sheet date. Only unrealized exchange losses are recorded in the profit and loss account. Realized exchange gains are recorded in the profit and loss account at the moment of their realization.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

2.3 Financial fixed assets

Shares in affiliated undertakings and amounts owed by these affiliated undertakings held as fixed assets are valued at purchase price.

In case of durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

Notes to the annual accounts

2.4 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recoverability is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made ceased to apply.

2.5 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of balance sheet, are either likely to be incurred or certain to be incurred but uncertain as their amount or the date on which they will arise.

Provisions for taxation correspond to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed. The advance payments are shown in the assets of the balance sheet under the “Other receivables” item.

2.6 Non subordinated debts

Non subordinated debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

3. FINANCIAL FIXED ASSETS

3.1 Shares in affiliated undertakings

Name (registered office)	Ownership %	Annual accounts(*) as at	Currency	Net equity (result included)	Net result
Samsonite Sub Holdings S.à r.l. 13–15, Avenue de la Liberté, L-1931 Luxembourg	100.00%	12/31/2015	USD	5,071,141,221.43	4,334,775.55

(*) Based on draft annual accounts not yet approved by the Board of Directors

The movements of the year are as follows:

Name	Acquisition cost at the beginning of the year USD	Reimbursement of share premium for the year USD	Acquisition cost at the end of the year USD	Depreciation at the beginning of the year USD	Reversals/ depreciation for the year USD	Depreciation at the end of the year USD	Net book value at the end of the year USD
Samsonite Sub Holdings S.à r.l. Luxembourg	2,422,943,754.10	(88,000,000.00)	2,344,943,754.10	-	-	-	2,344,943,754.10
At the end of the year	2,422,943,754.10	(88,000,000.00)	2,344,943,754.10	-	-	-	2,344,943,754.10

Notes to the annual accounts

4. DEBTORS

4.1 Amounts owed by affiliated undertakings

The amounts owed by affiliated undertakings are comprised of as follows:

Becoming due and payable within one year:

	12/31/2015	12/31/2014
	<i>USD</i>	<i>USD</i>
Samsonite Sub Holdings S.à r.l.	-	6,610.01
Delilah Europe Investments S.à r.l.	-	33,309.40
Samsonite LLC	56,250.82	-
Speck Product Design LLC	18,818.48	-
Cross-charges Samsonite IP Holdings S.à r.l.	-	1,909,352.25
	<u>75,069.30</u>	<u>1,949,271.66</u>

4.2 Other receivables

The other receivables are comprised of as follows:

Becoming due and payable within one year:

	12/31/2015	12/31/2014
	<i>USD</i>	<i>USD</i>
Corporate income tax advance 2011	2,277.77	2,277.77
Corporate income tax advance 2012	2,106.32	2,106.32
Corporate income tax advance 2013	4,443.75	4,443.75
Corporate income tax advance 2014	4,513.63	4,513.63
Corporate income tax advance 2015	3,593.76	-
Withholding taxes on directors fees	424,000.02	-
	<u>440,935.25</u>	<u>13,341.47</u>

Notes to the annual accounts

5. CASH AT BANK, CASH IN POSTAL CHEQUE ACCOUNTS, CHEQUES AND CASH IN HAND

The cash at bank is comprised of as follows:

	12/31/2015 USD	12/31/2014 USD
HSBC Luxembourg current account USD	1,303,666.78	800,731.03
HSBC Hong Kong current account USD	383,973.83	129,834.94
HSBC Hong Kong current account HKD506,041.68	65,294.56	8,195.37
HSBC Hong Kong current account HKD388,582.36	50,141.18	441.26
HSBC Hong Kong current account HKD	-	15,190.62
HSBC Hong Kong share options HKD2,735,569.01	352,970.47	2,040,577.68
	<u>2,156,046.82</u>	<u>2,994,970.90</u>

6. CAPITAL AND RESERVES

The Company was incorporated on March 8, 2011 with a subscribed and fully paid-up capital of USD60,000.00, divided into 6,000,000 ordinary shares with a nominal value of USD0.01 each.

During the year 2015, the share capital of the Company has been increased by an amount of USD18,070.69 by the issuance of 1,807,069 shares with a nominal value of USD0.01 each. In 2015, the share premium has been increased by an amount of USD4,409,803.10.

The authorized capital including the subscribed capital amounts to USD1,012,800,369.99.

As at December 31, 2015 the share capital amounts to USD14,098,335.25 represented by 1,409,833,525 shares with a nominal value of USD0.01 each.

The movements of the year are as follows:

	Subscribed capital USD	Share premiums and similar premiums USD	Other Reserves USD	Retained earnings USD	Result for the year USD	Total USD
Balance as at January 1, 2015	14,080,264.56	226,402,972.35	2,193,253,863.75	(2,312,685.68)	(7,245,200.63)	2,424,179,214.35
Allocation of the result	-	-	-	(7,245,200.63)	7,245,200.63	-
Distribution to Shareholders	-	-	(88,000,000.00)	-	-	(88,000,000.00)
Movement of the year	18,070.69	4,409,803.10	-	-	-	4,427,873.79
Result of the year ended	-	-	-	-	(7,566,831.77)	(7,566,831.77)
Balance as at December 31, 2015	14,098,335.25	230,812,775.45	2,105,253,863.75	(9,557,886.31)	(7,566,831.77)	2,333,040,256.37

In accordance with Luxembourg law, the Company is required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Notes to the annual accounts

7. PROVISIONS

7.1 Provisions for taxation

The provisions for taxation are comprised of as follows:

	12/31/2015 USD	12/31/2014 USD
Corporate income tax	13,088.12	13,088.12
Net wealth tax	41,660.18	34,449.68
	<u>54,748.30</u>	<u>47,537.80</u>

7.2 Other Provisions

The other provisions are comprised of as follows:

	12/31/2015 USD	12/31/2014 USD
Audit fees	114,028.40	63,000.00
Legal fees	196,610.70	34,637.00
Directors fees	28,651.11	158,900.00
HK Branch fees	-	2,000.00
Credit fees	213,187.04	201,880.00
Miscellaneous fees	168,082.33	143,453.00
Bonus fees	-	250,000.00
	<u>720,559.58</u>	<u>853,870.00</u>

8. NON SUBORDINATED DEBTS

8.1 Amount owed to credit institutions

The amounts owed to credit institutions are comprised of as follows:

Becoming due and payable within one year:

	12/31/2015 USD	12/31/2014 USD
Undrawn checks	<u>50,141.91</u>	<u>6,510.02</u>

Notes to the annual accounts

8.2 Trade creditors

The trade creditors are comprised of as follows:

Becoming due and payable within one year:

	12/31/2015 USD	12/31/2014 USD
Other	-	56,476.47
Baker & McKenzie	2,102.23	-
Ernst & Young Capital Advisors LLC	50,000.00	-
ISS Corporate Solutions Inc	20,000.00	-
	<u>72,102.23</u>	<u>56,476.47</u>

8.3 Amounts owed to affiliated undertakings

The amounts owed to affiliated undertakings are comprised of as follows:

Becoming due and payable within one year:

	12/31/2015 USD	12/31/2014 USD
Samsonite Asia current account	12,542.78	47,754.77
Samsonite LLC current account	1,316,553.22	2,275,764.91
Samsonite Argentina current account	-	5,199.88
Samsonite UK current account	248,964.08	473,209.37
Samsonite India current account	7,837.00	-
Cross-charges Samsonite IP Holdings S.à r.l.	1,131,460.22	-
Delilah EU Investments S.à r.l.	2,711.50	-
	<u>2,720,068.80</u>	<u>2,801,928.93</u>

8.4 Other liabilities

The other liabilities are comprised of as follows:

	12/31/2015 USD	12/31/2014 USD
Bonus Fees	999,999.96	-
	<u>999,999.96</u>	<u>-</u>

Notes to the annual accounts

9. OTHER EXTERNAL CHARGES

The other external charges are comprised of as follows:

	12/31/2015	12/31/2014
	<i>USD</i>	<i>USD</i>
Rental fees	70,779.78	18,359.50
Legal fees	343,959.27	518,601.76
Domiciliation fees	-	2,460.40
Accounting and administration fees	98,677.07	80,720.66
Bank fees	7,952.96	210,296.21
Audit fees	306,755.04	43,960.78
Tax advisory fees	-	98,117.72
Directors fees	1,437,817.74	1,072,988.66
Commitment fees	865,169.53	2,142,382.83
Travel and representation fees	159,977.62	59,131.65
General expenses	3,947,546.94	2,377,511.84
Consulting services fees	1,370,330.40	844,587.90
Investor services fees	-	139,127.75
Insurances premiums	103,100.26	108,316.62
Other miscellaneous fees	-	143,453.00
	<u>8,712,066.63</u>	<u>7,923,017.28</u>

10. STAFF COSTS

The Company employed 2 persons during the financial period broken down by category as follows:

	12/31/2015	12/31/2014
Employee (Hong-Kong Branch)	1	1
Employee (Luxembourg)	1	1

The staff costs are composed as follows:

	12/31/2015	12/31/2014
	<i>USD</i>	<i>USD</i>
Salaries and wages (Hong-Kong Branch)	88,255.17	84,544.36
Salaries and wages (Luxembourg)	2,605,009.14	635,461.25
Social security on salary and wages (Hong-Kong Branch)	773.95	719.82
	<u>2,694,038.26</u>	<u>720,725.43</u>

Notes to the annual accounts

11. INTEREST AND OTHER FINANCIAL CHARGES

The interest and other financial charges are comprised of as follows:

Other interest and similar financial charges

	12/31/2015 <i>USD</i>	12/31/2014 <i>USD</i>
Unrealized exchange losses	8,215.84	-
Realized exchange losses	<u>441,349.10</u>	<u>7,488.36</u>
	<u><u>449,564.94</u></u>	<u><u>7,488.36</u></u>

12. EXTRAORDINARY CHARGES

	12/31/2015 <i>USD</i>	12/31/2014 <i>USD</i>
Fines, tax, social and penalties	<u>49,450.19</u>	<u>20.29</u>
	<u><u>49,450.19</u></u>	<u><u>20.29</u></u>

13. INCOME TAX

The income tax is comprised of as follows:

	12/31/2015 <i>USD</i>	12/31/2014 <i>USD</i>
Corporate income tax	<u>7,210.50</u>	<u>4,338.64</u>
	<u><u>7,210.50</u></u>	<u><u>4,338.64</u></u>

14. OTHER TAXES NOT INCLUDED IN THE PREVIOUS CAPTION

	12/31/2015 <i>USD</i>	12/31/2014 <i>USD</i>
Net wealth tax	<u>-</u>	<u>84.68</u>
	<u><u>-</u></u>	<u><u>84.68</u></u>

Notes to the annual accounts

15. OTHER OPERATING INCOME

	12/31/2015 USD	12/31/2014 USD
Recharge G&A Luxembourg	3,045,174.52	803,655.81
Recharge of share options fees	806,316.27	327,345.72
Reversal of 2014 provisions	-	57,509.90
	<u>3,851,490.79</u>	<u>1,188,511.43</u>

16. OTHER INTEREST AND OTHER FINANCIAL INCOME

The other interest and similar financial income are comprised of as follows:

Other interest and similar income

	12/31/2015 USD	12/31/2014 USD
Realized exchange gains	494,007.96	221,960.75
Interest on bank account	-	1.87
	<u>494,007.96</u>	<u>221,962.62</u>

17. OFF BALANCE SHEET FINANCIAL COMMITMENTS

The Group maintains a revolving credit facility (the “**Revolving Facility**”) in the amount of USD500.0 million. The facility can be increased by an additional USD300.0 million, subject to lender approval. The Revolving Facility has an initial term of five years from its effective date of June 17, 2014, with a one year extension available at the request of the Group and at the option of the lenders. The interest rate on borrowings under the Revolving Facility is the aggregate of (i) (a) LIBOR or (b) the prime rate of the lender and (ii) a margin to be determined based on the Group’s leverage ratio. Based on the Group’s leverage ratio, the Revolving Facility carries a commitment fee ranging from 0.2% to 0.325% per annum on any unutilized amounts, as well as an agency fee if another lender joins the Revolving Facility. The Revolving Facility is secured by certain of the Group’s assets in the United States and Europe, as well as the Group’s intellectual property. The Revolving Facility also contains financial covenants related to interest coverage and leverage ratios, and operating covenants that, among other things, limit the Group’s ability to incur additional debt, create liens on its assets, and participate in certain mergers, acquisitions, liquidations, asset sales or investments. The Group was in compliance with the financial covenants as of December 31, 2015. As of December 31, 2015, USD449.3 million was available to be borrowed on the Revolving Facility as a result of USD48.2 million of outstanding borrowings and the utilization of USD2.5 million of the facility for outstanding letters of credit extended to certain creditors. As of December 31, 2014, USD437.5 million was available to be borrowed as a result of USD60.0 million of outstanding borrowings and the utilization of USD2.5 million of the facility for outstanding letters of credit extended to certain creditors.

On September 14, 2012, the Company adopted its Share Award Scheme.

Notes to the annual accounts

On January 7, 2015, the Company granted share options exercisable for 16,006,812 ordinary shares to certain directors, key management personnel and other employees of the Group with an exercise price of HK\$23.31 per share. Such options are subject to pro rata vesting over a 4-year period, with 25% of the options vesting on each anniversary date of the grant. Such options have a 10-year term.

On January 7, 2015, the Company made an additional special grant of share options exercisable for 10,040,399 ordinary shares to an Executive Director and to five additional members of the Group's senior management team. The exercise price of the options granted was HK\$23.31. 60% of such options will vest on January 7, 2018 and 40% will vest on January 7, 2020. Such options have a 10 year term.

On August 31, 2015, the Company granted share options exercisable for 114,158 ordinary shares to an employee of a subsidiary of the Company. The exercise price of the options granted was HK\$24.15. Such options are subject to pro rata vesting over a 4-year period, with 25% of the options vesting on each anniversary date of the grant. Such options have a 10-year term.

Name/category of grantee	01/01/2015	Granted	Exercised	Forfeited/ cancelled/lapsed	12/31/2015	Exercise period	Exercise price per share (HKD)
Directors	4,543,669	-	-	-	4,543,669	01/08/2014 – 01/07/2023	17.36
Directors	3,626,542	-	-	-	3,626,542	01/07/2015 – 01/06/2024	23.30
Directors	-	3,747,723	-	-	3,747,723	01/07/2016 – 01/06/2025	23.31
Directors	-	2,506,600	-	-	2,506,600	01/07/2018 – 01/06/2025	23.31
Employees	108,522	-	-	-	108,522	07/01/2014 – 06/30/2023	18.68
Employees	9,674,041	-	(1,289,347)	(579,857)	7,804,837	01/08/2014 – 01/07/2023	17.36
Employees	257,566	-	-	-	257,566	05/29/2015 – 05/28/2024	24.77
Employees	8,531,526	-	(517,722)	(716,092)	7,297,712	01/07/2015 – 01/06/2024	23.30
Employees	-	114,158	-	-	114,158	08/31/2016 – 08/30/2025	24.15
Employees	-	12,259,089	-	(698,651)	11,560,438	01/07/2016 – 01/06/2025	23.31
Employees	-	7,533,799	-	-	7,533,799	01/07/2018 – 01/06/2025	23.31
TOTAL	26,741,866	26,161,369	(1,807,069)	(1,994,600)	49,101,566		

18. SUBSEQUENT EVENTS

On January 8, 2016, the Company increased its share capital for an amount USD100.28 by the issuance of 10,028 new shares with a nominal value of USD0.01 each and the Company increased its share premium for an amount of USD22,335.93.

On March 3, 2016, the Company's shareholders approved the resolution proposed to (i) reduce the Company's authorized share capital from USD1,012,800,369.99, representing 101,280,036,999 shares (including the subscribed share capital) to USD35,000,000, representing 3,500,000,000 shares (including the subscribed share capital) with a par value of USD0.01 each and (ii) renew, for a period of five years from the date of the publication of the amendment of the authorized share capital, the authorization of the Board to issue shares, to grant options to subscribe for shares and to issue any other securities or instruments convertible into shares, subject to the restrictions set out in the Company's Articles of Incorporation, the Luxembourg companies law and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Notes to the annual accounts

On March 3, 2016, the Company and PTL Acquisition Inc. (“**Merger Sub**”) (an indirect wholly-owned subsidiary of the Company) entered into an Agreement and Plan of Merger (the “**Merger Agreement**”) with Tumi Holdings, Inc. (“**Tumi**”), pursuant to which the Company agreed to acquire Tumi for cash consideration of USD26.75 per share, subject to the terms and conditions set out in the Merger Agreement. The acquisition is proposed to be effected by way of a merger of Merger Sub with and into Tumi, with Tumi surviving the merger as an indirect wholly-owned subsidiary of the Company.

Tumi is a leading global premium lifestyle brand offering a comprehensive line of business bags, travel luggage and accessories. The *Tumi* brand is sold in approximately 2,000 points of distribution in over 75 countries.

Closing of the merger is conditional on the satisfaction (or, to the extent not prohibited by applicable law, waiver) of certain conditions, which include, among other things, the adoption of the Merger Agreement by the stockholders of Tumi, approval of the merger by the shareholders of the Company and the receipt of certain regulatory approvals. The Merger Agreement may be terminated in certain circumstances, including if the requisite approval by the stockholders of Tumi or the shareholders of the Company has not been obtained or if there has been a material breach of the covenants or agreements set out in the Merger Agreement by the Company or by Tumi. The Merger Agreement provides that, upon termination of the Merger Agreement upon certain specified conditions, the Company or Tumi will be required to pay the other party a termination fee as set forth and described in the Merger Agreement. Subject to certain exceptions and limitations, either party may terminate the Merger Agreement if the merger is not consummated by 5:00 p.m. (New York City time) on December 31, 2016, subject to extension until March 3, 2017 for the purpose of obtaining regulatory clearances.

The aggregate cash consideration payable by the Company under the terms of the Merger Agreement is expected to be approximately USD1,824 million. The total consideration will be funded by a new committed debt financing that will comprise USD500 million in a revolving facility and up to USD1,925 million in new term loan facilities, as well as the Group’s own cash resources.

Subject to the satisfaction or waiver of the conditions of the merger, it is currently expected that closing will occur in the second half of 2016.