



Samsonite International S.A.
(Société Anonyme)

Annual Accounts
As of December 31, 2019

(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 of
Samsonite International S.A.
13-15, avenue de la Liberté
L-1931 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Samsonite International S.A. (the "Company"), which comprise the balance sheet as at 31 December 2019, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2019 and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of “Réviseur d’Entreprises agréé” thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation 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.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the Réviseur d’Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “Réviseur d’Entreprises agréé” 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 Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 Board of Directors.
- Conclude on the appropriateness of the Board of 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 report of the "Réviseur d'Entreprises agréé" to the related disclosures in the annual accounts 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 report of the "Réviseur d'Entreprises agréé". 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 annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Luxembourg, 18 March 2020

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'Fabien Hedouin', with a long, sweeping flourish extending to the right.

Fabien Hedouin
Partner

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(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, 2019 TO DECEMBER 31, 2019**

March 18, 2020

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, 2019 and ended on December 31, 2019 (the “**Financial Year**”).

At the end of the Financial Year, the share capital of the Company amounts to US\$ 14,325,697.71 and the authorized share capital of the Company (including the issued share capital of the Company) amounts to US\$ 35,000,000.-, represented by 3,500,000,000 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 1,432,569,771 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*[®], *Tumi*[®], *American Tourister*[®], *Speck*[®], *Gregory*[®], *High Sierra*[®], *Kamiliant*[®], *eBags*[®], *Lipault*[®] and *Hartmann*[®] brand names as well as other owned and licensed brand names.

Issuance of €350.0 Million 3.500% Senior Notes Due 2026

On April 25, 2018 (the “**Issue Date**”), Samsonite Finco S.à r.l., a wholly-owned, indirect subsidiary of the Company (the “**Issuer**”), issued €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the “**Senior Notes**”). The Senior Notes were issued at par pursuant to an indenture (the “**Indenture**”), dated the Issue Date, among the Issuer, the Company and certain of its direct or indirect wholly-owned subsidiaries (together with the Company, the “**Guarantors**”).

The Senior Notes are guaranteed by the Company and the other Guarantors on a senior subordinated basis.

The Indenture contains a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company to: (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem the capital stock or subordinated debt of the Company, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances, and (viii) engage in mergers or consolidations. The Indenture also contains certain customary provisions relating to events of default.

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Amended and Restated Senior Credit Facilities Agreement

On May 13, 2016, an indirect, wholly-owned subsidiary of the Company entered into a credit and guaranty agreement (the “**Original Senior Credit Facilities Agreement**”) with certain lenders and financial institutions. On August 1, 2016, the Company acceded to the Original Senior Credit Facilities Agreement as revolving borrower. The Original Senior Credit Facilities Agreement provided for (1) a US\$1,250.0 million senior secured term loan A facility (the “**Original Term Loan A Facility**”), (2) a US\$675.0 million senior secured term loan B facility (the “**Original Term Loan B Facility**” and, together with the Original Term Loan A Facility, the “**Original Term Loan Facilities**”) and (3) a US\$500.0 million revolving credit facility (the “**Original Revolving Credit Facility**,” and, together with the Original Term Loan Facilities, the “**Original Senior Credit Facilities**”).

In conjunction with the Senior Notes offering, on April 25, 2018, the Company and certain of its indirect, wholly-owned subsidiaries, as borrowers and guarantors and certain of the Company’s other direct and indirect wholly-owned subsidiaries, as guarantors, entered into an amended and restated credit and guaranty agreement (the “**Credit Agreement**”) with certain lenders and financial institutions. The Credit Agreement provides for (1) a new US\$828.0 million senior secured term loan A facility (the “**New Term Loan A Facility**”), (2) a new US\$665.0 million senior secured term loan B facility (the “**New Term Loan B Facility**” and, together with the New Term Loan A Facility, the “**New Term Loan Credit Facilities**”) and (3) a new US\$650.0 million revolving credit facility (the “**New Revolving Credit Facility**,” and, together with the New Term Loan Credit Facilities, the “**New Senior Credit Facilities**”).

On April 25, 2018 (the “**Closing Date**”) the gross proceeds from drawings under the New Senior Credit Facilities were used, together with the gross proceeds from the offering of the Senior Notes and existing cash on hand, to (i) repay in full the Original Senior Credit Facilities and (ii) pay certain commissions, fees and expenses in connection thereto.

The obligations of the borrowers under the New Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company’s existing direct or indirect wholly-owned material restricted subsidiaries (the “**Credit Facility Guarantors**”). All obligations under the New Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the Company, the other borrowers and the Credit Facility Guarantors. The security granted by the Company includes (a) the shares (*parts sociales*) of Samsonite Sub Holdings S.à r.l. (the direct, wholly-owned subsidiary of the Company), (b) the Company’s receivables, and (c) all the present and future assets, rights and claims the Company has or will have in relation to the Company’s bank accounts. The New Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company to: (i) incur additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt.

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The New Senior Credit Facilities also contain certain financial covenants that are applicable to the Company and its subsidiaries on a consolidated basis. The Company was in compliance with these financial covenants as of December 31, 2019.

On March 29, 2019, the Company and certain of its indirect, wholly-owned subsidiaries, as borrowers, entered into an amendment to the Credit Agreement with each lender party to the Credit Agreement, and acknowledged by HSBC Bank USA, National Association, as the New Term Loan A and revolver administrative agent and BANK OF AMERICA, N.A., as the New Term Loan B administrative agent (the “**First Amendment to Credit Agreement**”). The amendments set forth in the First Amendment to Credit Agreement addressed (i) certain changes resulting from lease accounting under IFRS 16 in order to maintain the parties’ original intent under the Credit Agreement, (ii) flexibility under the negative covenants to facilitate certain cash pooling arrangements, and (iii) additional flexibility under the negative covenants with respect to a potential financing transaction contemplated by an indirect subsidiary of the Company.

On March 16, 2020, (the “**2020 Refinancing Closing Date**”), the Company and certain of its direct and indirect wholly-owned subsidiaries entered into a second amendment agreement to the Credit Agreement (the “**Second Amendment to Credit Agreement**”) with certain lenders and financial institutions (the “**2020 Refinancing**”). Under the terms of the 2020 Refinancing, the Second Amendment to Credit Agreement provides for (1) an amended US\$800.0 million senior secured term loan A facility (the “**Amended Term Loan A Facility**”) and (2) an amended US\$850.0 million revolving credit facility (the “**Amended Revolving Credit Facility**”). Under the Second Amendment to Credit Agreement, the maturity for both the Amended Term Loan A Facility and the Amended Revolving Credit Facility have been extended by approximately two years with remaining balances on both facilities due to be paid in full on the fifth anniversary of the 2020 Refinancing Closing Date. Interest on the borrowings under the Amended Term Loan A Facility and the Amended Revolving Credit Facility began to accrue on the 2020 Refinancing Closing Date.

The 2020 Refinancing did not affect the terms of the Term Loan B Facility.

Cash Pooling Agreement

On November 21, 2019, the Company entered into a Pooling Adherence Agreement (the “**Adherence Agreement**”) with J.P. Morgan Bank Luxembourg S.A. (“**JPM**”) pursuant to which the Company became bound as a “customer” under a Pooling Agreement (the “**Pooling Agreement**”) dated November 21, 2019 between JPM and Samsonite IP Holdings S.à r.l., a wholly owned subsidiary of the Company. Pursuant to the arrangements governed by the terms of the Pooling Agreement, the amount of the balance on an interest-bearing bank account of the Company maintained with JPM, together with the balances on bank accounts maintained with JPM by certain subsidiaries of the Company that are also “customers” under the Pooling Agreement, collectively make up the amount of a “notional pool” of funds (the “**Notional Pool**”). The Pooling Agreement allows for customers, including the Company, to make short-term overdraft borrowings from JPM in an amount up to the net aggregate balance of all accounts included within the Notional Pool (taking into account any negative balances that exist by virtue of the Company or the other “customers” having drawn on the overdraft facility). The Company is jointly and severally liable for the obligations of each of its subsidiaries that participates as a “customer” under the Pooling Agreement. At December 31, 2019, there were no drawings on the overdraft facility with JPM by the Company or of its subsidiaries under the Pooling Agreement.

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Share Award Scheme

The Company’s Share Award Scheme (as defined here below) was amended by the Board of Directors of the Company (the “**Board**”) on March 13, 2019, which amendment was approved by the general meeting of shareholders of the Company on June 6, 2019. The same general meeting of shareholders granted the Board of Directors a general mandate to grant awards of restricted shares units (“**RSUs**”) pursuant to the Share Award Scheme in respect of a maximum of 8,534,685 new shares.

Upon the exercise of share options and RSUs granted by the Company on the dates referred to below, pursuant to the rules of the Company’s share award scheme adopted by the shareholders of the Company on September 14, 2012 (as amended from time to time, the “**Share Award Scheme**”), new ordinary shares were issued during the Financial Year in the amounts referred to below:

- upon the exercise of share options granted on January 8, 2013: 222,676 ordinary shares were issued during the Financial Year;
- upon the vesting of RSUs granted on October 11, 2018: 1,252,461 ordinary shares were issued during the Financial Year; and
- upon the vesting of RSUs granted on December 4, 2018: 154,254 ordinary shares were issued during the Financial Year.

During the year ended December 31, 2019, pursuant to the rules of the Share Award Scheme, the Company granted share options and RSUs to an executive director of the Company, certain key management personnel and other employees of subsidiaries of the Company as follows:

On June 17, 2019, the Company granted share options exercisable for 10,462,500 ordinary shares with an exercise price of HK\$16.04 per share, and on November 22, 2019, the Company granted share options exercisable for 170,712 ordinary shares with an exercise price of HK\$16.62 per share. Such share options are subject to *pro rata* vesting over a four-year period from the date of grant, with 25% of the options vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Such options have a 10-year term.

On June 17, 2019, the Company awarded time-based RSUs (“**TRSUs**”) with respect to 4,074,414 shares and on November 22, 2019, the Company awarded TRSUs with respect to 108,144 shares. Such TRSUs are subject to *pro rata* vesting over a three-year period, with one-third of such TRSUs vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date.

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On June 17, 2019, the Company granted performance-based RSUs (“**PRSU**s”) with respect to a target number of 1,455,327 shares assuming target level achievement of the performance conditions applicable to the PRSU grants. The performance targets cover the three-year (fiscal) period ending December 31, 2021. The actual number of shares that will vest under the PRSUs will vary depending on the level of achievement of the performance conditions applicable to the PRSU grants made to the relevant grantees, thereby ensuring that the actual payout is linked to the Company’s performance. The maximum number of shares underlying the PRSUs granted on June 17, 2019, is 2,910,654 shares. The PRSUs granted on June 17, 2019 will vest on the third anniversary of the grant date, subject to the achievement of the performance conditions and subject to the applicable grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date.

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” which is located at 25th Floor, Tower 2, The Gateway, Harbour City, Kowloon, Hong Kong.

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

The Company’s directors considered that the Company may potentially be impacted by the principal risks and uncertainties to which the Company’s group is exposed (for more explanation on this matter, please refer to Note 20 of the Company’s consolidated financial statements).

The coronavirus (COVID-19) outbreak has caused a global health emergency and travel disruptions around the world. The impact of the COVID-19 outbreak on the Company and its consolidated subsidiaries on a consolidated basis in 2020 is described under “Management Discussion and Analysis — Other Financial Information” in the Consolidated Annual Report of the Company for the year ended December 31, 2019.

Due to the inherent uncertainties about the extent and duration of the COVID-19 outbreak and its impacts on the Company for the balance of 2020, the Board has decided not to recommend the payment of a cash distribution to the Company’s shareholders in 2020. It is the Board’s intent that in future years, when the Company has recovered from the temporary effects of COVID-19, the Board will resume its policy of recommending annual cash distributions to shareholders in line with its past practice.

Except for the Second Amendment to Credit Agreement described above, there are no significant subsequent events impacting the annual accounts of the Company for the year ended December 31, 2019.

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

The operating results indicate a loss for the Financial Year of US\$ 2,056,690.18. The balance sheet total amounts to US\$ 1,951,860,442.68 as at December 31, 2019.

We propose to approve the annual accounts for the financial year ending December 31, 2019 as presented to you and to carry forward the loss of US\$ 2,056,690.18 to the next financial year.

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

Samsonite International S.A.
Balance Sheet
as at December 31, 2019
(expressed in USD)

	Note(s)	12/31/2019	12/31/2018
ASSETS			
Fixed assets	3		
Shares in affiliated undertakings		1,944,943,754.10	2,059,943,754.10
Other loan		—	—
Total financial assets		1,944,943,754.10	2,059,943,754.10
Total fixed assets		1,944,943,754.10	2,059,943,754.10
Current assets			
Debtors	4		
Amounts owed by affiliated undertakings	4.1		
<i>becoming due and payable within one year</i>		229,543.97	6,009,980.88
<i>becoming due and payable after more than one year</i>		—	—
Total amounts owed by affiliated undertakings		229,543.97	6,009,980.88
Other debtors	4.2		
<i>becoming due and payable within one year</i>		185,692.57	153,552.85
<i>becoming due and payable after more than one year</i>		12,768.80	12,768.80
Total other debtors		198,461.37	166,321.65
Total debtors		428,005.34	6,176,302.53
Cash at bank and in hand	5	6,429,885.00	11,452,002.76
Total current assets		6,857,890.34	17,628,305.29
Prepayments		58,798.24	69,752.95
TOTAL ASSETS		1,951,860,442.68	2,077,641,812.34

The notes in the annex form an integral part of the annual accounts

Samsonite International S.A.
Balance Sheet
as at December 31, 2019
(expressed in USD)

	Note(s)	12/31/2019	12/31/2018
CAPITAL, RESERVES and LIABILITIES			
Capital and reserves	6		
Subscribed capital		14,325,697.71	14,309,403.80
Share premium account		289,100,326.99	288,607,874.18
Reserves			
Other reserves including the fair value reserve			
<i>Other available reserves</i>		1,680,239,796.60	1,805,253,863.75
Total reserves		1,680,239,796.60	1,805,253,863.75
Profit or loss brought forward		(34,015,838.91)	(24,805,797.50)
Profit or loss for the financial year		(2,056,690.18)	(9,210,041.41)
Total capital and reserves		1,947,593,292.21	2,074,155,302.82
Provisions	7		
Provisions for taxation		—	—
Other provisions		962,735.26	1,105,459.58
Total provisions		962,735.26	1,105,459.58
Creditors	8		
Amounts owed to credit institutions			
<i>becoming due and payable within one year</i>		—	—
Total amounts owed to credit institutions		—	—
Trade creditors	8.1		
<i>becoming due and payable within one year</i>		181,289.89	158,993.53
Total trade creditors		181,289.89	158,993.53
Amounts owed to affiliated undertakings	8.2		
<i>becoming due and payable within one year</i>		2,831,043.89	1,986,448.32
Total amounts owed to affiliated undertakings		2,831,043.89	1,986,448.32
Other creditors	8.3		
Tax authorities		198,384.07	181,674.09
Other creditors			
<i>becoming due and payable within one year</i>		93,697.36	53,934.00
Total other creditors		292,081.43	235,608.09
Total creditors		3,304,415.21	2,381,049.94
TOTAL CAPITAL, RESERVES AND LIABILITIES		1,951,860,442.68	2,077,641,812.34

The notes in the annex form an integral part of the annual accounts

Samsonite International S.A.
Profit and Loss Account
for the year ended December 31, 2019
(expressed in USD)

	Note(s)	12/31/2019	12/31/2018
Other operating income	9	3,151,458.42	4,964,150.10
Raw materials and consumables and other external expenses	10		
Other external expenses		(2,779,942.19)	(10,891,237.04)
Total raw materials and consumables and other external expenses		(2,779,942.19)	(10,891,237.04)
Staff costs	11		
Wages and salaries		(172,320.62)	(1,635,971.26)
Social security costs		(4,349.38)	(1,530.94)
Total staff costs		(176,670.00)	(1,637,502.20)
Other operating expenses	12	(2,029,054.43)	(1,939,906.98)
Other interest receivable and similar income	13		
<i>derived from affiliated undertakings</i>		—	255,740.79
<i>other interest and similar income</i>		39,977.39	759,675.96
Total other interest receivable and similar income		39,977.39	1,015,416.75
Interest payable and similar expenses	14		
<i>Other interest and similar expenses</i>		(267,265.56)	(517,404.63)
Total interest payable and similar expenses		(267,265.56)	(517,404.63)
Tax on profit or loss	15	—	(83,328.40)
Profit or loss after taxation		(2,061,496.37)	(9,089,812.40)
Other taxes not included in the previous captions	16	4,806.19	(120,229.01)
Profit or loss for the financial year		(2,056,690.18)	(9,210,041.41)

The notes in the annex form an integral part of the annual accounts

Samsonite International S.A.
Notes to the Annual Accounts
as at December 31, 2019
(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 realize 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 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.

Pursuant to the Title XVII of the amended law of August 10, 1915, the Company also prepares consolidated accounts, which are deposited with the register of commerce and companies and published according to the provisions of the Luxembourg law.

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

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, as amended, 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.

The figures for the financial year ended December 31, 2018, related to the items “Provisions for taxation” in amount of \$101,761.03, have been reclassified to “Other creditors” to ensure comparability with the figures for the financial year ended December 31, 2019.

The figures for the financial year ended December 31, 2018 related to the item “Other loans” in amount of \$53,934.00, have been reclassified to “Other debtors” to ensure comparability with the figures for the financial year ended December 31, 2019.

The figures for the financial year ended December 31, 2018 related to the item “Other interest receivable and similar income derived from affiliated undertakings” in amount of \$14,889.27, have been partially reclassified to “other interest and similar income”, to ensure comparability with the figures for the financial year ended December 31, 2019.

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.

Long-term assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date these assets remain translated at historical exchange rates.

Other assets are valued individually at the lower of and other liabilities are valued at 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 and losses 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.

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

2.3 Financial assets

Shares in affiliated undertakings 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 financial 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.

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 corresponding to the tax liability estimated by the Company for the financial years are recorded under the caption "Other creditors". Advance payments are shown in the assets of the balance sheet under the "Other debtors" item.

2.6 Creditors

Creditors 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.

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

3. FINANCIAL ASSETS

The financial assets are comprised of as follows:

Name (registered office)	Ownership %
Samsonite Sub Holdings S.à r.l. 13–15, avenue de la Liberté, L-1931 Luxembourg	100.00%

The amounts of capital, reserves, profits and losses for the financial year have been omitted in accordance with Art. 67, (3) of the Luxembourg Law of December 19, 2002.

The undertaking concerned is included in the consolidated accounts of Samsonite International S.A., having its registered office at 13–15, avenue de la Liberté, L-1931 Luxembourg.

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	Net book value at the end of the year USD
Samsonite Sub Holdings S.à r.l. Luxembourg	2,059,943,754.10	(115,000,000.00)	1,944,943,754.10	1,944,943,754.10

4. DEBTORS

4.1 Amounts owed by affiliated undertakings

The amounts owed by affiliated undertakings are comprised of as follows:	Dec 31, 2019 USD	Dec 31, 2018 USD
<i>Becoming due and payable within one year:</i>		
PTL Holdings Inc	—	4,588,245.98
Samsonite LLC	20,371.44	1,350,535.49
Samsonite Importaciones SA de CV	92,286.09	71,199.41
Samsonite UK	56,331.52	—
Samsonite Asia	4,671.86	—
Samsonite Hong Kong	18,384.43	—
Tumi Hong Kong	37,498.63	—
	229,543.97	6,009,980.88

All these balances do not bear interest.

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

4.2 Other debtors

The other debtors are comprised of as follows:	Dec 31, 2019	Dec 31, 2018
	<i>USD</i>	<i>USD</i>
<i>Becoming due and payable within one year:</i>		
Corporate income tax advance 2011–2016	20,413.75	20,413.75
Net wealth tax advance 2017	501.78	7,994.93
Miscellaneous Receivable	3,030.77	6,489.32
VAT Receivable	161,746.27	118,654.85
	<u>185,692.57</u>	<u>153,552.85</u>

Other debtors becoming due and payable after more than one year consist of rent deposits amounting to USD12,768.80 (2018: USD12,768.80).

5. CASH AT BANK AND IN HAND

The cash at bank is comprised of as follows:	Dec 31, 2019	Dec 31, 2018
	<i>USD</i>	<i>USD</i>
HSBC Luxembourg current account USD	4,856,676.04	1,156,535.41
HSBC Hong Kong current account USD	244,516.00	72,590.21
JP Morgan current account USD	100,000.00	—
HSBC Hong Kong current account HKD417,496.80	53,589.89	236,749.78
HSBC Hong Kong current account HKD729,858.26	93,694.55	53,934.00
HSBC Hong Kong share options HKD8,424,809.26	1,081,408.52	9,932,193.36
	<u>6,429,885.00</u>	<u>11,452,002.76</u>

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

6. CAPITAL AND RESERVES

During 2019, the share capital of the Company has been increased by an amount of \$16,293.91 by the issuance of 1,629,391 shares with a nominal value of \$0.01 each. In 2019, the share premium has been increased by an amount of \$492,452.81.

The authorized capital including the subscribed capital amounts to \$35,000,000.00.

As at December 31, 2019 the share capital amounts to \$14,325,697.71 represented by 1,432,569,771 shares with a nominal value of \$0.01 each.

The movements of the year are as follows:

	Subscribed capital <i>USD</i>	Share premiums and similar premiums <i>USD</i>	Other reserves <i>USD</i>	Retained earnings <i>USD</i>	Result for the year <i>USD</i>	Total <i>USD</i>
Balance as at January 1, 2019	14,309,403.80	288,607,874.18	1,805,253,863.75	(24,805,797.50)	(9,210,041.41)	2,074,155,302.82
Allocation of the result	—	—	—	(9,210,041.41)	9,210,041.41	—
Distribution to Shareholders	—	—	(125,000,000.00)	—	—	(125,000,000.00)
Capital Increase	2,226.76	492,452.81	—	—	—	494,679.57
Contribution of reserve	14,067.15	—	(14,067.15)	—	—	—
Result of the year ended	—	—	—	—	(2,056,690.18)	(2,056,690.10)
Balance as at December 31, 2019	14,325,697.71	289,100,326.99	1,680,239,796.60	(34,015,838.91)	(2,056,690.18)	1,947,593,292.21

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.

From the total increase in the Subscribed Capital of \$16,293.91, an amount of \$14,067.15 were subscribed as RSU — Bonus Shares.

7. PROVISIONS

The provisions are comprised of as follows:

	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
Audit fees	251,366.46	222,560.19
Director fees	225,332.36	166,522.17
Legal fees	21,000.00	88,286.61
Miscellaneous fees	465,036.44	628,090.61
	962,735.26	1,105,459.58

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

8. CREDITORS

8.1 Trade creditors

The trade creditors are comprised of as follows:	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
<i>Becoming due and payable within one year:</i>		
Trade creditors	181,289.89	158,993.53
	181,289.89	158,993.53

8.2 Amounts owed to affiliated undertakings

The amounts owed to affiliated undertakings are comprised of as follows:	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
<i>Becoming due and payable within one year:</i>		
Samsonite Asia current account	—	15,890.93
Samsonite LLC current account	1,578,938.93	474,823.00
Samsonite UK current account	—	1,337.87
Samsonite SAS current account	—	2,612.62
Samsonite Malaysia current account	601.89	—
Samsonite Middle East current account	6,473.45	—
Cross-charges Samsonite IP Holdings S.à r.l.	1,240,297.50	1,240,297.50
Samsonite South Asia	4,732.12	—
Tumi Inc	—	138,675.96
Global Licensing	—	3,893.12
Speck	—	49,164.41
Samsonite AG Switzerland	—	28,740.61
Delilah EU Investments S.à r.l.	—	31,012.30
	2,831,043.89	1,986,448.32

All these balances do not bear interest.

As at Dec 31, 2018 there was no intercompany interest payable.

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

8.3 Other creditors

The other creditors payable less than one year are comprised of as follows:	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
Tax authorities	198,384.07	181,674.09
Payable to the shareholders (dividends)	93,697.36	53,934.00
	292,081.43	235,608.09

9. OTHER OPERATING INCOME

The other operating income are comprised of as follows:	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
Recharge General and Administrative Luxembourg	—	3,074,314.43
Recharge of share options fees	3,151,458.42	1,889,835.67
	3,151,458.42	4,964,150.10

10. OTHER EXTERNAL EXPENSES

The other external expenses are comprised of as follows:	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
Rental fees	60,273.32	67,835.17
Legal fees	663,498.75	1,962,752.35
Accounting and administration fees	36,069.63	13,617.67
Bank fees	7,589.38	7,789.99
Audit fees (Statutory Audit Fees — KPMG)	90,497.60	146,457.17
Tax advisory fees	226,704.10	329,078.60
Travel and representation fees	80,121.60	375,069.77
General expenses	1,490,745.57	7,769,373.77
Consulting services fees	—	98,342.58
Insurances premiums	124,419.30	120,919.97
	2,779,942.19	10,891,237.04

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

11. STAFF COSTS

The Company employed 2 persons during the financial period (2018: 3), broken down by category as follows:	Dec 31, 2019	Dec 31, 2018
Employee Hong-Kong Branch	2	2
Employee Luxembourg	—	1
The staff costs are composed as follows:	<i>USD</i>	<i>USD</i>
Salaries and wages Hong-Kong Branch	172,320.62	146,897.87
Salaries and wages Luxembourg	—	1,489,073.39
Social security on salary and wages Hong-Kong Branch	4,349.38	1,530.94
	<u>176,670.00</u>	<u>1,637,502.20</u>

12. OTHER OPERATING EXPENSES

The other operating expenses are comprised of as follows:	Dec 31, 2019	Dec 31, 2018
	<i>USD</i>	<i>USD</i>
Director fees	1,746,962.82	1,741,057.19
Non-deductible VAT on director fees	282,091.61	198,849.79
	<u>2,029,054.43</u>	<u>1,939,906.98</u>

13. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

The other interest receivable and similar income are comprised of as follows:	Dec 31, 2019	Dec 31, 2018
	<i>USD</i>	<i>USD</i>
Other interest receivable and similar income		
Derived from affiliated undertakings (interest)	—	255,740.79
Other interest income	28,124.55	14,889.27
Realized exchange gains	11,852.84	744,786.69
	<u>39,977.39</u>	<u>1,015,416.75</u>

14. INTEREST PAYABLE AND SIMILAR EXPENSES

The interest payable and similar expenses are comprised of as follows:	Dec 31, 2019	Dec 31, 2018
	<i>USD</i>	<i>USD</i>
Other interest payable and similar expenses		
Unrealized exchange losses	236,622.71	194,740.07
Realized exchange losses	30,642.85	322,664.56
	<u>267,265.56</u>	<u>517,404.63</u>

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

15. TAX ON PROFIT OR LOSS

	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
Corporate income tax and Municipal business tax	—	83,328.40
	<u>—</u>	<u>83,328.40</u>

16. OTHER TAXES NOT SHOWN UNDER ITEMS 1 TO 15

	Dec 31, 2019 <i>USD</i>	Dec 31, 2018 <i>USD</i>
Net wealth tax	<u>(4,806.19)</u>	<u>120,229.01</u>

17. OFF BALANCE SHEET FINANCIAL COMMITMENTS

Issuance of €350.0 Million 3.500% Senior Notes Due 2026

On April 25, 2018 (the “**Issue Date**”), Samsonite Finco S.à r.l., a wholly-owned, indirect subsidiary of the Company (the “**Issuer**”), issued €350.0 million aggregate principal amount of its 3.500% senior notes due 2026 (the “**Senior Notes**”). The Senior Notes were issued at par pursuant to an indenture (the “**Indenture**”), dated the Issue Date, among the Issuer, the Company and certain of its direct or indirect wholly-owned subsidiaries (together with the Company, the “**Guarantors**”).

The Senior Notes are guaranteed by the Company and the other Guarantors on a senior subordinated basis.

The Indenture contains a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company to: (i) incur or guarantee additional indebtedness, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem the capital stock or subordinated debt of the Company, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances, and (viii) engage in mergers or consolidations. The Indenture also contains certain customary provisions relating to events of default.

Please refer to the Company’s consolidated financial statements for further details.

Amended and Restated Senior Credit Facilities Agreement

On May 13, 2016, an indirect wholly-owned subsidiary of the Company entered into a credit and guaranty agreement (the “**Original Senior Credit Facilities Agreement**”) with certain lenders and financial institutions. On August 1, 2016, the Company acceded to the Original Senior Credit Facilities Agreement as revolving borrower. The Original Senior Credit Facilities Agreement provided for (1) a US\$1,250.0 million senior secured term loan A facility (the “**Original Term Loan A Facility**”), (2) a US\$675.0 million senior secured term loan B facility (the “**Original Term Loan B Facility**” and, together with the Original Term Loan A Facility, the “**Original Term Loan Facilities**”) and (3) a US\$500.0 million revolving credit facility (the “**Original Revolving Credit Facility**,” and, together with the Original Term Loan Facilities, the “**Original Senior Credit Facilities**”).

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
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In conjunction with the Senior Notes offering, on April 25, 2018, the Company and certain of its indirect, wholly-owned subsidiaries, as borrowers and guarantors and certain of the Company's other direct and indirect wholly-owned subsidiaries, as guarantors, entered into an amended and restated credit and guaranty agreement (the "**Credit Agreement**") with certain lenders and financial institutions. The Credit Agreement provides for (1) a new US\$828.0 million senior secured term loan A facility (the "**New Term Loan A Facility**"), (2) a new US\$665.0 million senior secured term loan B facility (the "**New Term Loan B Facility**" and, together with the New Term Loan A Facility, the "**New Term Loan Credit Facilities**") and (3) a new US\$650.0 million revolving credit facility (the "**New Revolving Credit Facility**," and, together with the New Term Loan Credit Facilities, the "**New Senior Credit Facilities**").

On April 25, 2018 (the "**Closing Date**") the gross proceeds from drawings under the New Senior Credit Facilities were used, together with the gross proceeds from the offering of the Senior Notes and existing cash on hand, to (i) repay in full the Original Senior Credit Facilities and (ii) pay certain commissions, fees and expenses in connection thereto.

The obligations of the borrowers under the New Senior Credit Facilities are unconditionally guaranteed by the Company and certain of the Company's existing direct or indirect wholly-owned material restricted subsidiaries (the "**Credit Facility Guarantors**"). All obligations under the New Senior Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by substantially all of the assets of the Company, the other borrowers and the Credit Facility Guarantors. The security granted by the Company includes (a) the shares (*parts sociales*) of Samsonite Sub Holdings S.à r.l. (the direct, wholly-owned subsidiary of the Company), (b) the Company's receivables, and (c) all the present and future assets, rights and claims the Company has or will have in relation to the Company's bank accounts.

The New Senior Credit Facilities contain a number of customary negative covenants that, among other things and subject to certain exceptions, may restrict the ability of the Company to: (i) incur additional indebtedness; (ii) pay dividends or distributions on its capital stock or redeem, repurchase or retire its capital stock or its other indebtedness; (iii) make investments, loans and acquisitions; (iv) engage in transactions with its affiliates; (v) sell assets, including capital stock of its subsidiaries; (vi) consolidate or merge; (vii) materially alter the business it conducts; (viii) incur liens; and (ix) prepay or amend any junior debt or subordinated debt.

The New Senior Credit Facilities also contain certain financial covenants that are applicable to the Company and its subsidiaries on a consolidated basis. The Company was in compliance with these financial covenants as of December 31, 2019.

Please refer to the Company's consolidated financial statements for further details.

Share Award Scheme

On September 14, 2012, the Company's shareholders adopted the Company's Share Award Scheme.

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
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Share Options

On June 17, 2019, the Company granted share options exercisable for 10,462,500 ordinary shares to an executive director of the Company and certain key management personnel and other employees of the Group with an exercise price of HK\$16.04 per share. Such options are subject to graded (“*pro rata*”) vesting over a four-year period from the date of grant, with 25% of the options vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Such options have a 10-year term.

On November 22, 2019, the Company granted share options exercisable for 170,712 ordinary shares to certain employees of the Group with an exercise price of HK\$16.62 per share. Such options are subject to graded (“*pro rata*”) vesting over a four-year period from the date of grant, with 25% of the options vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Such options have a 10-year term.

Particulars and movements of share options during the year ended December 31, 2019 and December 31, 2018 were as follows:

	<u>Number of options</u>	<u>Weighted-average exercise price</u>
Outstanding at January 1, 2019	76,733,623	HK\$25.83
Granted during the year	10,633,212	HK\$16.05
Exercised during the year	(222,676)	HK\$17.36
Canceled/forfeited (“lapsed”) during the year	(10,694,276)	HK\$26.86
Outstanding at December 31, 2019	<u>76,449,883</u>	<u>HK\$24.35</u>
Exercisable at December 31, 2019	<u>43,450,021</u>	<u>HK\$24.61</u>
	<u>Number of options</u>	<u>Weighted-average exercise price</u>
Outstanding at January 1, 2018	84,925,858	HK\$25.61
Granted during the year	9,759,856	HK\$26.81
Exercised during the year	(9,129,278)	HK\$22.71
Lapsed during the year	(8,822,813)	HK\$28.04
Outstanding at December 31, 2018	<u>76,733,623</u>	<u>HK\$25.83</u>
Exercisable at December 31, 2018	<u>32,986,377</u>	<u>HK\$23.77</u>

Restricted Share Units (“RSUs”)

Two types of RSU awards have been granted by the Company: time-based RSUs (“**TRSUs**”) and performance-based RSUs (“**PRSUs**”).

Samsonite International S.A.
Notes to the Annual Accounts (continued)
as at December 31, 2019
(expressed in USD)

Time-based Restricted Share Units

TRSUs granted by the Company are subject to *pro rata* vesting over a three-year period, with one-third of such TRSUs vesting on each anniversary of the date of the grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the applicable vesting date. Expense for TRSUs is based on the closing market price of the Company's shares on the date of grant, discounted by the present value of expected future dividends, and is recognized ratably over the vesting period, net of expected forfeitures.

On June 17, 2019, the Company awarded TRSUs with respect to 4,074,414 shares to an executive director of the Company and certain key management personnel and other employees of the Group.

On November 22, 2019, the Company awarded TRSUs with respect to 108,144 shares to certain employees of the Group.

Particulars and movements of TRSUs during the year ended December 31, 2019 and December 31, 2018 were as follows:

	Number of TRSUs	Weighted-average Fair Value per TRSU
	<u> </u>	<u> </u>
Outstanding at January 1, 2019	4,884,072	HK\$22.50
Granted during the year	4,182,558	HK\$14.54
Vested and converted to ordinary shares during the year	(1,406,715)	HK\$23.40
Canceled/lapsed during the year	(935,364)	HK\$20.80
Outstanding at December 31, 2019	<u>6,724,551</u>	<u>HK\$17.60</u>
	Number of TRSUs	Weighted-average Fair Value per TRSU
	<u> </u>	<u> </u>
Outstanding at January 1, 2018	—	—
Granted during the year	4,893,837	HK\$22.50
Canceled/lapsed during the year	(9,765)	HK\$22.40
Outstanding at December 31, 2018	<u>4,884,072</u>	<u>HK\$22.50</u>

Performance-based Restricted Share Units

PRSUs vest in full on the third anniversary of the date of grant, subject to the grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date, and only to the extent certain pre-established cumulative performance targets are met. Expense related to PRSUs with non-market performance criteria is recognized ratably over the performance period, net of forfeitures, based on the probability of attainment of the related performance targets. The potential number of shares that may be issued upon vesting of the PRSUs ranges from 0% of the target number of shares subject to the PRSUs, if the minimum level of performance is not attained, to up to 200% of the target number of shares subject to the PRSUs, if the level of performance is at or above the predetermined maximum achievement level. For PRSUs subject to market conditions, the expense is recognized over the vesting period based on the fair value as determined on the grant date utilizing a Monte Carlo simulation.

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(expressed in USD)

On June 17, 2019, the Company granted PRSUs with respect to a target number of 1,455,327 shares to an executive director and certain members of the Company's senior management team assuming target level achievement of the performance conditions applicable to the PRSU grants. The performance targets cover the three-year (fiscal) period ending December 31, 2021. The actual number of shares that will vest under the PRSUs will vary depending on the level of achievement of the performance conditions applicable to the PRSU grants made to the relevant grantees, thereby ensuring that the actual payout is linked to the Company's performance. The maximum number of shares underlying the PRSUs granted is 2,910,654 shares. The PRSUs granted on June 17, 2019 will vest on June 17, 2022, subject to the achievement of the performance conditions and subject to the applicable grantee continuing to be employed by, or continuing to provide services to, the Group on the vesting date.

Particulars and movements of performance-based RSUs during the year ended December 31, 2019 and December 31, 2018 were as follows:

	Number of PRSUs	Weighted-average Fair Value per PRSU
Outstanding at January 1, 2019	1,564,366	HK\$17.91
Granted during the year (at target level vesting)	1,455,327	HK\$12.56
Canceled/lapsed during the year (at target level vesting)	(109,562)	HK\$17.78
Outstanding at December 31, 2019 (at target level vesting)	2,910,131	HK\$15.24
	Number of PRSUs	Weighted-average Fair Value per PRSU
Outstanding at January 1, 2018	—	—
Granted during the year (at target level vesting)	1,564,366	HK\$17.91
Outstanding at December 31, 2018 (at target level vesting)	1,564,366	HK\$17.91

Shares underlying an award of share options, TRSUs or PRSUs that lapse without the issuance of such shares upon vesting of such award may be available for future grant under the Share Award Scheme.

Please refer to the Company's consolidated financial statements for further details.

18. SUBSEQUENT EVENTS

The Company has evaluated events occurring subsequent to December 31, 2019, the reporting date, through March 18, 2020, the date this financial information was authorized for issuance by the Board.

On March 16, 2020, the Company entered into the Amended Credit Agreement with certain lenders and financial institutions. Please refer to Company's consolidated financial statements for further details.