**Registre de Commerce et des Sociétés**
Numéro RCS : B181963
Référence de dépôt : L160233154
Déposé et enregistré le 08/12/2016

HSNBHPX20161207T09494801_001

| RCSL Nr. : B181963 | Matricule : 2013 2453 277 |
|---|---|
| | eCDF entry date : 08/12/2016 |

## BALANCE SHEET

**Financial year from** 01 01/01/2015 **to** 02 31/12/2015 *(in* 03 EUR *)*

Séléné S.à r.l.

15, Boulevard Roosevelt
L-2450 Luxembourg

## ASSETS

| | Reference(s) | Current year | Previous year |
|---|---|---|---|
| **A. Subscribed capital unpaid** | 1101 | 101 | 102 |
| I. Subscribed capital not called | 1103 | 103 | 104 |
| II. Subscribed capital called but unpaid | 1105 | 105 | 106 |
| **B. Formation expenses** | 1107 | 107 | 108 |
| **C. Fixed assets** | 1109 | 109 1.080.879.237,98 | 110 355.409.187,01 |
| I. Intangible fixed assets | 1111 | 111 | 112 |
| 1. Research and development costs | 1113 | 113 | 114 |
| 2. Concessions, patents, licences, trade marks and similar rights and assets, if they were | 1115 | 115 | 116 |
| a) acquired for valuable consideration and need not be shown under C.I.3 | 1117 | 117 | 118 |
| b) created by the undertaking itself | 1119 | 119 | 120 |
| 3. Goodwill, to the extent that it was acquired for valuable consideration | 1121 | 121 | 122 |
| 4. Payments on account and intangible fixed assets under development | 1123 | 123 | 124 |
| II. Tangible fixed assets | 1125 | 125 | 126 |
| 1. Land and buildings | 1127 | 127 | 128 |
| 2. Plant and machinery | 1129 | 129 | 130 |

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| 3. Other fixtures and fittings, tools and equipment | 1131 | | 131 | | 132 | |
| 4. Payments on account and tangible fixed assets under development | 1133 | | 133 | | 134 | |
| III. Financial fixed assets | 1135 | | 135 | 1.080.879.237,98 | 136 | 355.409.187,01 |
| 1. Shares in affiliated undertakings | 1137 | | 137 | 940.717.724,22 | 138 | |
| 2. Amounts owed by affiliated undertakings | 1139 | | 139 | | 140 | |
| 3. Shares in undertakings with which the undertaking is linked by virtue of participating interests | 1141 | | 141 | | 142 | |
| 4. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1143 | | 143 | | 144 | |
| 5. Securities and other financial instruments held as fixed assets | 1145 | | 145 | | 146 | |
| 6. Loans and claims held as fixed assets | 1147 | | 147 | 140.161.513,76 | 148 | 355.409.187,01 |
| 7. Own shares or own corporate units | 1149 | | 149 | | 150 | |
| **D. Current assets** | 1151 | | 151 | 359.717.428,05 | 152 | 3.861.992,38 |
| I. Inventories | 1153 | | 153 | | 154 | |
| 1. Raw materials and consumables | 1155 | | 155 | | 156 | |
| 2. Work and contracts in progress | 1157 | | 157 | | 158 | |
| 3. Finished goods and merchandise | 1159 | | 159 | | 160 | |
| 4. Payments on account | 1161 | | 161 | | 162 | |
| II. Debtors | 1163 | | 163 | 352.059.625,43 | 164 | 1.788.484,01 |
| 1. Trade receivables | 1165 | | 165 | | 166 | |
| a) becoming due and payable within one year | 1167 | | 167 | | 168 | |
| b) becoming due and payable after more than one year | 1169 | | 169 | | 170 | |
| 2. Amounts owed by affiliated undertakings | 1171 | | 171 | | 172 | |
| a) becoming due and payable within one year | 1173 | | 173 | | 174 | |
| b) becoming due and payable after more than one year | 1175 | | 175 | | 176 | |
| 3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests | 1177 | | 177 | 11.375.863,46 | 178 | |
| a) becoming due and payable within one year | 1179 | | 179 | | 180 | |
| b) becoming due and payable after more than one year | 1181 | | 181 | 11.375.863,46 | 182 | |

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| 4. Other receivables | 1183 | | 183 | 340.683.761,97 | 184 | 1.788.484,01 |
| a) becoming due and payable within one year | 1185 | | 185 | 340.683.761,97 | 186 | 1.788.484,01 |
| b) becoming due and payable after more than one year | 1187 | | 187 | | 188 | |
| III. Transferable securities and other financial instruments | 1189 | | 189 | | 190 | |
| 1. Shares in affiliated undertakings and in undertakings with which the undertaking is linked by virtue of participating interests | 1191 | | 191 | | 192 | |
| 2. Own shares or own corporate units | 1193 | | 193 | | 194 | |
| 3. Other transferable securities and other financial instruments | 1195 | | 195 | | 196 | |
| IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand | 1197 | | 197 | 7.657.802,62 | 198 | 2.073.508,37 |
| **E. Prepayments** | 1199 | | 199 | 4.777,84 | 200 | |
| **TOTAL (ASSETS)** | | | 201 | 1.440.601.443,87 | 202 | 359.271.179,39 |

## LIABILITIES

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **A. Capital and reserves** | 1301 | | 301 | 708.503.257,97 | 302 | 9.927,39 |
| I. Subscribed capital | 1303 | | 303 | 12.600,00 | 304 | 12.600,00 |
| II. Share premium and similar premiums | 1305 | | 305 | 707.670.850,77 | 306 | |
| III. Revaluation reserves | 1307 | | 307 | | 308 | |
| IV. Reserves | 1309 | | 309 | | 310 | |
| 1. Legal reserve | 1311 | | 311 | | 312 | |
| 2. Reserve for own shares or own corporate units | 1313 | | 313 | | 314 | |
| 3. Reserves provided for by the articles of association | 1315 | | 315 | | 316 | |
| 4. Other reserves | 1317 | | 317 | | 318 | |
| V. Profit or loss brought forward | 1319 | | 319 | -2.672,61 | 320 | |
| VI. Profit or loss for the financial year | 1321 | | 321 | 822.479,81 | 322 | -2.672,61 |
| VII. Interim dividends | 1323 | | 323 | | 324 | |
| VIII. Capital investment subsidies | 1325 | | 325 | | 326 | |
| IX. Temporarily not taxable capital gains | 1327 | | 327 | | 328 | |
| **B. Subordinated debts** | 1329 | | 329 | | 330 | 358.088.956,63 |
| 1. Convertible loans | 1413 | | 413 | | 414 | 358.088.956,63 |
| a) becoming due and payable within one year | 1415 | | 415 | | 416 | 2.679.769,62 |
| b) becoming due and payable after more than one year | 1417 | | 417 | | 418 | 355.409.187,01 |
| 2. Non convertible loans | 1419 | | 419 | | 420 | |
| a) becoming due and payable within one year | 1421 | | 421 | | 422 | |
| b) becoming due and payable after more than one year | 1423 | | 423 | | 424 | |
| **C. Provisions** | 1331 | | 331 | | 332 | |
| 1. Provisions for pensions and similar obligations | 1333 | | 333 | | 334 | |
| 2. Provisions for taxation | 1335 | | 335 | | 336 | |
| 3. Other provisions | 1337 | | 337 | | 338 | |
| **D. Non subordinated debts** | 1339 | | 339 | 732.098.185,90 | 340 | 1.172.295,37 |
| 1. Debenture loans | 1341 | | 341 | | 342 | |
| a) Convertible loans | 1343 | | 343 | | 344 | |
| i) becoming due and payable within one year | 1345 | | 345 | | 346 | |
| ii) becoming due and payable after more than one year | 1347 | | 347 | | 348 | |

| | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|
| b) Non convertible loans | 1349 | 349 | | 350 | |
| i) becoming due and payable within one year | 1351 | 351 | | 352 | |
| ii) becoming due and payable after more than one year | 1353 | 353 | | 354 | |
| 2. Amounts owed to credit institutions | 1355 | 355 | | 356 | |
| a) becoming due and payable within one year | 1357 | 357 | | 358 | |
| b) becoming due and payable after more than one year | 1359 | 359 | | 360 | |
| 3. Payments received on account of orders as far as they are not deducted distinctly from inventories | 1361 | 361 | | 362 | |
| a) becoming due and payable within one year | 1363 | 363 | | 364 | |
| b) becoming due and payable after more than one year | 1365 | 365 | | 366 | |
| 4. Trade creditors | 1367 | 367 | 133.346,41 | 368 | 20.766,93 |
| a) becoming due and payable within one year | 1369 | 369 | 133.346,41 | 370 | 20.766,93 |
| b) becoming due and payable after more than one year | 1371 | 371 | | 372 | |
| 5. Bills of exchange payable | 1373 | 373 | | 374 | |
| a) becoming due and payable within one year | 1375 | 375 | | 376 | |
| b) becoming due and payable after more than one year | 1377 | 377 | | 378 | |
| 6. Amounts owed to affiliated undertakings | 1379 | 379 | 340.623.339,46 | 380 | |
| a) becoming due and payable within one year | 1381 | 381 | 340.623.339,46 | 382 | |
| b) becoming due and payable after more than one year | 1383 | 383 | | 384 | |
| 7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests | 1385 | 385 | | 386 | |
| a) becoming due and payable within one year | 1387 | 387 | | 388 | |
| b) becoming due and payable after more than one year | 1389 | 389 | | 390 | |
| 8. Tax and social security debts | 1391 | 391 | 9.680,00 | 392 | 6.445,00 |
| a) Tax debts | 1393 | 393 | 9.680,00 | 394 | 6.445,00 |
| b) Social security debts | 1395 | 395 | | 396 | |

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| 9. Other creditors | 1397 | | 397 | 391.331.820,03 | 398 | 1.145.083,44 |
| a) becoming due and payable within one year | 1399 | | 399 | 7.878.250,25 | 400 | 1.145.083,44 |
| b) becoming due and payable after more than one year | 1401 | | 401 | 383.453.569,78 | 402 | |
| **E. Deferred income** | 1403 | | 403 | | 404 | |
| **TOTAL (LIABILITIES)** | | | 405 | 1.440.601.443,87 | 406 | 359.271.179,39 |

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|---|---|

## PROFIT AND LOSS ACCOUNT

**Financial year from** 01 01/01/2015 **to** 02 31/12/2015 *(in* 03 EUR *)*

Séléné S.à r.l.

15, Boulevard Roosevelt
L-2450 Luxembourg

## A. CHARGES

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **1. Use of merchandise, raw materials and consumable materials** | 1601 | | 601 | | 602 | |
| **2. Other external charges** | 1603 | | 603 | 138.342,82 | 604 | 33.288,93 |
| **3. Staff costs** | 1605 | | 605 | | 606 | |
| a) Salaries and wages | 1607 | | 607 | | 608 | |
| b) Social security on salaries and wages | 1609 | | 609 | | 610 | |
| c) Supplementary pension costs | 1611 | | 611 | | 612 | |
| d) Other social costs | 1613 | | 613 | | 614 | |
| **4. Value adjustments** | 1615 | | 615 | | 616 | |
| a) on formation expenses and on tangible and intangible fixed assets | 1617 | | 617 | | 618 | |
| b) on current assets | 1619 | | 619 | | 620 | |
| **5. Other operating charges** | 1621 | | 621 | 700,00 | 622 | |
| **6. Value adjustments and fair value adjustments on financial fixed assets** | 1623 | | 623 | | 624 | |
| **7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities** | 1625 | | 625 | | 626 | |
| **8. Interest and other financial charges** | 1627 | | 627 | 37.758.961,89 | 628 | 6.120.454,22 |
| a) concerning affiliated undertakings | 1629 | | 629 | | 630 | |
| b) other interest and similar financial charges | 1631 | | 631 | 37.758.961,89 | 632 | 6.120.454,22 |

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **9. Share of losses of undertakings accounted for under the equity method** | 1649 | | 649 | | 650 | |
| **10. Extraordinary charges** | 1633 | | 633 | 1.200,00 | 634 | |
| **11. Income tax** | 1635 | | 635 | 3.210,00 | 636 | 6.420,00 |
| **12. Other taxes not included in the previous caption** | 1637 | | 637 | 25,00 | 638 | 25,00 |
| **13. Profit for the financial year** | 1639 | | 639 | 822.479,81 | 640 | 0,00 |
| **TOTAL CHARGES** | | | 641 | 38.724.919,52 | 642 | 6.160.188,15 |

| RCSL Nr. : B181963 | Matricule : 2013 2453 277 |
|---|---|

## B. INCOME

| | | Reference(s) | | Current year | | Previous year |
|---|---|---|---|---|---|---|
| **1. Net turnover** | 1701 | | 701 | | 702 | |
| **2. Change in inventories of finished goods and of work and contracts in progress** | 1703 | | 703 | | 704 | |
| **3. Fixed assets under development** | 1705 | | 705 | | 706 | |
| **4. Reversal of value adjustments** | 1707 | | 707 | | 708 | |
| a) on formation expenses and on tangible and intangible fixed assets | 1709 | | 709 | | 710 | |
| b) on current assets | 1711 | | 711 | | 712 | |
| **5. Other operating income** | 1713 | | 713 | | 714 | |
| **6. Income from financial fixed assets** | 1715 | | 715 | | 716 | |
| a) derived from affiliated undertakings | 1717 | | 717 | | 718 | |
| b) other income from participating interests | 1719 | | 719 | | 720 | |
| **7. Income from financial current assets** | 1721 | | 721 | | 722 | |
| a) derived from affiliated undertakings | 1723 | | 723 | | 724 | |
| b) other income from financial current assets | 1725 | | 725 | | 726 | |
| **8. Other interest and other financial income** | 1727 | | 727 | 38.724.919,52 | 728 | 6.157.515,54 |
| a) derived from affiliated undertakings | 1729 | | 729 | | 730 | |
| b) other interest and similar financial income | 1731 | | 731 | 38.724.919,52 | 732 | 6.157.515,54 |
| **9. Share of profits of undertakings accounted for under the equity method** | 1745 | | 745 | | 746 | |
| **10. Extraordinary income** | 1733 | | 733 | | 734 | |
| **13. Loss for the financial year** | 1735 | | 735 | 0,00 | 736 | 2.672,61 |
| **TOTAL INCOME** | | | 737 | 38.724.919,52 | 738 | 6.160.188,15 |

**Registre de Commerce et des Sociétés**
Numéro RCS : B181963
Référence de dépôt : L160233154
Déposé le 08/12/2016



**Notes to the financial statements**
As of 31 December 2015

***Note 1 - General Information***

Séléné S.àr.l. (hereafter the "Company") is a public limited liability company (“Société à responsabilité limitée”) under Luxembourg Law, incorporated on 22 November 2013 for an unlimited period of time.

The registered office of the Company is established at 15, boulevard Roosevelt L-2450 Luxembourg and the Company is registered in the Luxembourg Trade and Companies Register under the number B 181963.

As of 31 December 2015, the Company is owned 100% by Constellation Hotels Holding Ltd S.C.A..

The purpose of the Company is (i) the acquisition, holding and disposal, in any form, by any means, whether directly or indirectly, of participations, rights and interests (in whatsoever form or other) in Luxembourg and foreign companies, (ii) the acquisition by purchase, subscription, or in any other manner, as well as the transfer by sale, exchange or in any other manner of stock, shares, bonds, debentures, notes and other securities or financial or debt instruments of any kind and (iii) the ownership, development, management and disposal of a portfolio of any assets (including, apart from the assets referred to in (i) and (ii) above, patents or other intellectual property rights of any nature or origin).

The Company may borrow in any form, except by way of public offer. It may enter into any type of loan agreement and it may issue, by way of private placement only, notes, bonds and any kind of debt and equity securities. It may lend funds (with or without security) including, without limitation, the proceeds of any borrowings and/or issues of securities, to its subsidiaries, affiliated companies and any other companies. The Company may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over all or some of its assets to guarantee its own obligations and those of any other company, and, generally for its own benefit and that of any other company or person. For the avoidance of doubt, the Company may not carry out any regulated activities of the financial sector without having obtained the required authorization.

The Company may by way of contribution, subscription, option, sale or by any other way, acquire movables of all kinds and may realize them by way of sale, exchange, transfer or otherwise.

The Company may enter into, execute and deliver and perform any swaps, futures, forwards, derivatives, options, repurchase, stock lending and similar transactions. The Company may generally use any techniques and instruments relating to investments for the purpose of their efficient management, including, but not limited to, techniques and instruments designed to protect it against credit, currency exchange, interest rate risks and other risks.

***Note 1 - General Information (continued)***

The descriptions above are to be construed broadly and their enumeration is not limiting. The Company's purpose shall include any transaction or agreement which is entered into by the Company, provided they are incidental or conducive to the attainment of the Company's purpose described above.

In general, the Company may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its purpose.

The Company may carry out any commercial, industrial or financial operations, which are directly or indirectly connected with its purpose or which may favour its development. In addition, the Company may acquire and sell real estate properties, for its own account, either in the Grand-Duchy of Luxembourg or abroad and it may carry out all operations relating to real estate properties.

The Company's financial year begins on 1 January and ends on 31 December of each year.

***Note 2 – Statement of compliance***

The Company has prepared these financial statements in accordance with International Financial Reporting Standards as endorsed by the EU ("IFRS") and particularly in accordance with IAS 27 provisions on financial statements. These financial statements have been prepared on an historical cost basis and on a going concern basis.

These financial statements were approved by the Sole Manager of the Company, on 7 November 2016 under Luxembourg Law.

In preparing the financial statements under IFRS, the Board of Directors is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements.

***Note 2 – Statement of compliance (continued)***

**Standards issued but not yet effective**

The standards and interpretations that are issued by the IASB, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

*IFRS 9 Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. IFRS 9 has not been endorsed by the European Union and the Company will assess the impact over its financial position and performance once it will be endorsed by the European Union.

*IFRS 15 Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. IFRS 15 has not been endorsed yet by the EU and the Company will assess the impact over its financial position and performance once it will be endorsed by the EU.

***Note 2 – Statement of compliance (continued)***

*Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. Amendments to IAS 16 and IAS 38 has not been endorsed yet by the EU and the Company will assess the impact over its financial position and performance once it will be endorsed by the EU.

*Annual improvements 2012-2014 Cycle*

These improvements are effective from 1 January 2016 and are not expected to have a material impact on the Company. They include:

*IFRS 5 Changes in methods of disposal*

The amendment is applied prospectively and clarifies that changing from one of the two disposal methods of assets (or disposal groups) to the other, i.e. through sale or through distribution, should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. The amendment also clarifies that changing the disposal method does not change the date of classification.

*IFRS 7 Servicing contracts*

The amendment is applied prospectively and clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.

***Note 2 – Statement of compliance (continued)***

*IAS 19 Regional market issue*

The amendment is applied prospectively and clarifies that the obligation to recognize a post-employment benefit obligation for its defined benefit plans must be discounted using market rates on high quality corporate bonds or using government bond rates if a deep market for high quality corporate bonds does not exist. Market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bonds rates must be used.

*IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception Amendments to IFRS 10, IFRS 12 and IAS 28*

The amendments address three issues that have arisen in applying the investment entities exception under IFRS10 Consolidated Financial Statements. The amendments to IFRS10 clarify that the exemption in paragraph 4 of IFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.

The amendments to IAS28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

The amendments must be applied retrospectively. Early application is permitted and must be disclosed. The amendments to IFRS10 and IAS28 provide helpful clarifications that will assist preparers in applying the standards more consistently. However, it may still be difficult to identify investment entities in practice when they are part of a multi-layered group structure.

***Note 3 - Summary of significant accounting policies***

**3.1. Functional and presentation currency**

The Company's functional currency is the Euro ("EUR"), which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in EUR. Therefore, the EUR is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Company's presentation currency is also the EUR.

The Company maintains a multi-currency accounting system under which any transaction is registered in its original foreign currency.

In preparing the financial statements, assets and liabilities in foreign currencies are translated into EUR according to the following principles:

- monetary items denominated in foreign currencies are converted at the closing rates prevailing at the closing date; differences arising from such conversion are recorded in the income statement;
- non-monetary items in foreign currencies which are measured at historical cost are translated into EUR using the historical exchange rates prevailing at the date of the transactions;
- non-monetary items denominated in foreign currencies which are measured at fair value are translated using the spot exchange rates at the date when the fair value is determined and translation differences are reported together with changes in fair value.

Income and expense items denominated in foreign currencies are recognised in the income statement using exchange rates prevailing at the dates of the transactions (e.g. average monthly exchange rates).

**3.2. Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Primarily held for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Company classifies all other assets as non-current.

*Note 3 - Summary of significant accounting policies (continued)*

**3.2. Current versus non-current classification (continued)**

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle
- It is primarily held for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**3.3. Investment in subsidiaries**

Subsidiaries are entities over which the Company has control. Associates are entities over which the Company has significant influence. Subsidiaries acquired are initially recognized at cost being the fair value of the consideration given plus any directly attributable costs. Subsequently, investments in subsidiaries and associates are accounted for at the lower of cost or net realisable value.

At each reporting date, the Company examines the recoverability of investments in subsidiaries and associates when there are indications of impairment. Indications of impairment include such elements as decrease in income, profit or cash flows, significant adverse changes in economy, or in the political stability in a particular country that may indicate that the carrying value of an asset may not be recoverable. If the facts and circumstances indicate that the value of investments in subsidiaries and associates may be impaired, then the calculated discounted future cash flows related to these investments is compared to their carrying value to determine if a write-off in the value of the investments is necessary. The resulting impairment losses are recognized in the income statement.

Any dividend is recognized when the Company’s right to receive the dividend is established, which is generally when shareholders approve the dividend.

***Note 3 - Summary of significant accounting policies (continued)***

### 3.4. Financial assets

Financial assets in the scope of IAS 39 are classified based on their nature and their characteristics in one of the following four categories:

- financial assets at fair value through profit and loss,
- loans and receivables,
- held to maturity investments, and
- available for sale financial assets

Financial assets are recognized initially at cost which represents their fair value (plus, in certain cases, directly attributable acquisition/transaction costs).
The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

#### 3.4.1 Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives, are also classified as held-for-trading unless they are designated as effective hedging instruments. Gains or losses on investments held-for-trading are recognized in profit or loss.

Financial assets may be designated at initial recognition as at fair value through profit or loss if any of the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets and liabilities or recognizing gains or losses on them on a different basis; (ii) the assets and liabilities are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial assets and liabilities contain an embedded derivative that would need to be separately recorded. An embedded derivative is separated from the hybrid or combined contract if all the following conditions are met: (a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (c) the hybrid instrument is not recognized at fair value through profit or loss.

*Note 3 - Summary of significant accounting policies (continued)*

**3.4. Financial assets (continued)**

**3.4.2 Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance expenses for loans and in cost of sales or other operating expenses for receivables.

**3.4.3 Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments that the Company intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale.

Held to maturity investments are measured at amortised cost. If the Company sells a held to maturity investment other than in insignificant amounts or as consequence of a non-recurring. Isolated event beyond its control that could not be reasonably anticipated, all of its other held to maturity investments must be reclassified as available for sale for the current and next to financial reporting years.

**3.4.4 Available for sale financial assets**

Available for sale financial assets are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as (a) Loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit or loss. Available for sale financial assets are measured at fair value in the balance sheet. Fair value changes on available for sale assets are recognized directly in equity, through the statement of changes in equity, except for interest on available for sale assets (which is recognized in income on an effective yield basis), impairment losses and (for interest-bearing available for sale debt instruments) foreign exchange gains and losses. The cumulative gain or loss that was recognized in equity is recognized in profit or loss when an available for sale financial asset is derecognized.

***Note 3 - Summary of significant accounting policies (continued)***

**3.5. Impairment of financial assets**

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

**3.6. Financial liabilities**

Financial liabilities

Financial liabilities in the scope of IAS 39 are classified based on their nature and their characteristics in one of the following three categories:

(i) financial liabilities at fair value through profit and loss,
(ii) loans and borrowings, and
(iii) payables

Financial liabilities are recognized initially at cost which represents their fair value, and in case of loans and borrowings net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement of loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance expenses in the statement of comprehensive income.

***Note 3 - Summary of significant accounting policies (continued)***

### 3.7. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle such asset and liability on a net basis, or to realize the assets and settle the liabilities simultaneously.

### 3.8. IFRS 13 Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

***Note 3 - Summary of significant accounting policies (continued)***

**3.9. Cash and cash equivalents**

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

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as 'cash and cash equivalents'.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

**3.10. Taxes**

**Current income tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss.
- In respect of taxable temporary differences associated with investments in subsidiairies, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

***Note 3 - Summary of significant accounting policies (continued)***

**3.10. Taxes (continued)**

Deferred tax assets are recognised for all deductible temporary differences, carrying forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable futureand taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current income tax expense consists of income taxes for the current year based on the Company’s profit as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted or substantively enacted tax rates at the reporting date.

Deferred income tax relating to items recognised directly in equity is recognized in equity and not in the income statement.

### 3.11. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of comprehensive income net of any reimbursement.

### 3.12. Interest and similar income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

### 3.13. Dividend

Dividend is recognised when the Company's right to receive the payment is established. Dividend is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

## *Note 4 - Significant accounting judgments, estimates and assumptions*

The preparation of the Company's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, Management has exercised judgment and estimates in determining the amounts recognised in the financial statements. The most significant uses of judgment and estimates are as follows:

***Note 4 - Significant accounting judgments, estimates and assumptions (continued)***

**Taxes**

The Company is subject to income taxes in Luxembourg. Significant judgment is required to determine the total provision for current and deferred taxes.

Deferred tax assets are recognized for unusual tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Shareholder loans**

The Company determined that the formula of the variable interest under the shareholders loans disclosed in note 8 does not meet the definition of a derivative under IAS 39 since the variable interest feature contains an underlying that is a non-financial variable specific to one party to the contract. In making this judgment, Management considered that the performance of the Company is driven by a number of different factors many of which are clearly non-financial in nature, for example the general business risks faced by the entity or management actions. Therefore, variable interests under shareholders loans are carried at their amortized cost.

**Investments in subsidiaries and associates and loans and receivables at amortized cost impairment tests**

At each reporting date the Company assesses any potential indicative factor regarding whether investments in subsidiaries and whether loans and receivables at amortized cost have been impaired. This requires an estimation of their value in use. Estimating the value in use requires the Company to make an estimate of the expected future cash flows and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

### *Note 5 – Investment in subsidiary*

| Ownership (%) | Company name | Country | Activity | 31 December 2015 EUR | 31 December 2014 EUR | 1 January 2014 EUR |
|---|---|---|---|---|---|---|
| | | | | carrying amounts | carrying amounts | carrying amounts |
| 100% | Coroin Ltd | UK | Holding Company | 940 717 724.22 | --- | --- |
| **Total** | | | | **940 717 724.22** | **0.00** | **0.00** |

The Sole Manager is of the opinion that no impairment is required on the investments in subsidiary as of 31 December 2015.

### *Note 6 - Long term loans to subsidiary and affiliates*

| Long term loans to subsidiary and affiliates | Currency | Maturity | Interest | 31 December 2015 EUR | 31 December 2014 EUR | 1 January 2014 EUR |
|---|---|---|---|---|---|---|
| Pacific Aviation Limited | EUR | 24/01/2021 | 2% | 1 887 558.18 | 1 870 703.00 | |
| Smallwell Properties Limited | EUR | 24/01/2021 | 2% | 6 054 061.33 | 6 000 000.00 | |
| Ostan Dubh Linn Teoranta Limited | EUR | 24/01/2021 | 2% | 6 008 000.00 | 6 000 000.00 | |
| Patrick McKillen | EUR | 24/01/2021 | 2% | 37 655 926.00 | 41 807 947.93 | |
| Patrick McKillen | GBP | 24/01/2021 | 2% | | 301 519 020.09 | |
| Coroin Ltd | GBP | * | 0.019178% | 1 087 894.05 | | |
| Coroin Ltd | GBP | 28/02/2018 | 1% | 98 904 360.17 | | |
| **Total** | | | | **151 597 799.73** | **357 197 671.02** | **---** |

The Sole Manager is of the opinion that no impairment is required on the loans to the subsidiary and other companies as of 31 December 2015 and of 2014.

### *Note 7 - Other current assets*

| Other current assets | Currency | 31 December 2015 EUR | 31 December 2014 EUR | 1 January 2014 EUR |
|---|---|---|---|---|
| Other receivables | GBP | 340 623 339.46 | --- | --- |
| Prepaid charges | EUR | 4 777.84 | --- | --- |
| **Total** | | **340 628 117.30** | **---** | **---** |

The other receivables represent receivables towards the ultimate shareholders of the company and are reimbursable on demand.

### *Note 8 – Cash and cash equivalent*

| | Currency | 31 December 2015 EUR | 31 December 2014 EUR | 1 January 2014 EUR |
|---|---|---|---|---|
| Cash at bank | EUR/GBP/USD | 7 657 802.62 | 2 073 508.37 | 12 663.33 |
| **Total** | | **7 657 802.62** | **2 073 508.37** | **12 663.33** |

Cash and cash equivalent are composed of cash at banks and in hand. These earn interest at floating rates based on daily bank deposit rates.

### *Note 9 – Shareholder loans*

**Shareholders loans**

**Long term loans**

| | Currency | Principal | Maturity | Interest rate | 31 December 2015 EUR | 31 December 2014 EUR | | 1 January 2014 EUR |
|---|---|---|---|---|---|---|---|---|
| Trecking Preferred Equity Certificates | EUR | 55 000 000.00 | 04/03/2043 | * | | 56 025 979.42 | * | |
| Trecking Preferred Equity Certificates | GBP | 300 013 668.72 | 04/03/2043 | * | | 302 062 977.21 | * | |
| Constellation Hotels Holding Limited S.C.A. | EUR | 51 545 123.00 | 30/06/2025 | 2.75% | 52 259 693.74 | | | |
| Constellation Hotels Holding Limited S.C.A. | EUR | 4 721 856.18 | 30/06/2025 | 3.00% | 4 793 654.26 | | | |
| Constellation Hotels Holding Limited S.C.A. | GBP | 321 511 485.50 | 30/06/2025 | 3.00% | 326 400 221.78 | | | |
| **Total** | | | | | **383 453 569.78** | **358 088 956.63** | | **---** |

* Profit linked

All loans are fully repayable on maturity

**Short term payables on demand**

| | Currency | 31 December 2015 EUR | 31 December 2014 EUR | 1 January 2014 EUR |
|---|---|---|---|---|
| Constellation Hotels Holding Limited S.C.A. | GBP/EUR | 2 301 286.71 | --- | --- |
| COL Investment Partners L.P. | GBP/EUR | --- | 1 145 083.44 | 1 260.00 |
| **Total** | | **2 301 286.71** | **1 145 083.44** | **1 260.00** |

### *Note 10 – Other current liabilities*

**Other current liabilities**

| | Currency | 31 December 2015 EUR | 31 December 2014 EUR | 1 January 2014 EUR |
|---|---|---|---|---|
| Coroin Limited | GBP | 340 623 339.46 | 6 445.00 | 3 210.00 |
| Short term payable on demand to COL Investment Partners L.P. | USD/EUR | 5 576 963.54 | --- | --- |
| Tax liabilities | EUR | 9 680.00 | --- | --- |
| **Total** | | **346 209 983.00** | **6 445.00** | **3 210.00** |

In October 2015 the Company received a non-interest bearing loan amounting to GBP 250,000,500 from its subsidiary Coroin Limited which is repayable on demand.

### *Note 11 - Issued share capital and reserves*

On 22 November 2013 (incorporation date) the Company issued capital for an amount of EUR 12,600.00 represented by 12,600 shares with a par value of 1.00 EUR each. The initial share capital was fully subscribed and paid in.

Legal reserve
In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit must be transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. The allocation to the legal reserve is made in the following year when the net result is being allocated.

Capital contribution without issue of shares
During the year 2015, the Sole shareholder of the Company decided to make a capital contribution without issuing shares in order to finance partially the acquisition of the subsidiary. As of 31 December 2015, the capital contribution amounts to EUR 707,670,850.77

Capital management
For the purpose of the Company's capital management, capital includes issued share capital, capital contributions and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to ensure the continuous smooth operation of its business activities and to maximize the shareholder value. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to externally imposed capital requirements.

Treasury shares
During the years 2015 and 2014, the Company did not issue any treasury shares.

***Note 12 – Administrative expenses***

| | 31 December 2015 EUR | 31 December 2014 EUR |
|---|---|---|
| Professional fees | (125 433.30) | --- |
| Other expenses | (14 834.52) | (32 117.26) |
| **Total** | **(140 267.82)** | **(32 117.26)** |

For the year ended 31 December 2015, administrative expenses are mainly composed of accounting and legal fees as well as for the year ended 31 December 2014.

***Note 13 – Finance income***

| | 31 December 2015 EUR | 31 December 2014 EUR |
|---|---|---|
| Interest income on loans to subsidiary | 632 762.87 | --- |
| Other interest income | 3 440 680.57 | 5 976 718.41 |
| Bank interest | 7 427.23 | 8 224.51 |
| Foreign exchange gains | 34 644 048.85 | 172 572.62 |
| **Total** | **38 724 919.52** | **6 157 515.54** |

The interest income on loans to subsidiary represents the interest income on the loan stock and on the special redeemable preferred shares of Coroin Limited. The other interest income represents the interest earned on the loans to the affiliates.

***Note 14 – Finance expenses***

| | 31 December 2015 EUR | 31 December 2014 EUR |
|---|---|---|
| Interest expenses on shareholders loans | (8 866 778.46) | (5 957 962.52) |
| Foreign exchange losses | (28 892 183.43) | (162 491.00) |
| Other | --- | (0.70) |
| **Total** | **(37 758 961.89)** | **(6 120 454.22)** |

***Note 15 – Income Tax***

| | 31 December 2015 EUR | 31 December 2014 EUR |
|---|---|---|
| **Profit before tax** | **825 689.81** | **4 944.06** |
| *Tax expense at Luxembourg rate 29,22%* | (241 266.56) | (1 444.65) |
| *Minimum tax expense* | (3 210.00) | (3 210.00) |
| *Non taxable income* | 10 122 991.07 | 50 425.72 |
| *Unrecognized deferred tax asset* | | |
| *Net unregonised deferred tax assets due to tax loss carry forward* | (9 881 724.51) | (48 981.07) |
| *Change in tax rate* | | |
| ***Total*** | **(3 210.00)** | **(3 210.00)** |

| | |
|---|---|
| IFRS profit | 825 689.81 |
| Non taxable income | (34 644 048.85) |
| IFRS profit subject to current and deferred tax | (33 818 359.04) |
| Net tax assets (current and deferred) | (9 881 724.51) |

***Note 16 – Related party transactions***

All loans granted to subsidiaries, loans received from shareholders and all related interest are related party transactions. The loans received from the shareholder of EUR 2,301,286.71 is also payable within one year.

***Note 17 - Financial risk management objectives and policies***

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investment in subsidiaries and joint venture, loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. Due to the limited number of transactions and risks, the finance team of the Company support the Board of Managers in monitoring these risks and address them in due time. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Sole Manager reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

***Foreign exchange risk***

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has cash balances in currencies other than EUR. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when income or expense is denominated in a foreign currency) and to the outstanding balances (loans, cash and other monetary assets and liabilities) denominated in currencies other than EUR. The Company has not put in place any specific strategy in order to mitigate the exposures subject to foreign exchange risk.

***Note 17 - Financial risk management objectives and policies (continued)***

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company has not put in place any specific strategy in order to mitigate the exposures subject to interest rate risk.

***Credit risk***

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is mainly exposed to credit risk from its subsidiary and affiliates not been able to redeem their loans and related interest towards to Company. It also includes credit risk on deposits with banks and financial institutions and other financial instruments. The maximum credit risk amounts to the aggregate of the long-term loans to subsidiaries and affiliates and other current assets as reported in the statement of financial position.

**Liquidity risk**

The Company monitors its risk to a shortage of funds by reviewing on a regular basis the cash needs of the Company.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and intercompany loans. The Company assessed the concentration risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

***Note 17 - Financial risk management objectives and policies (continued)***

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

**Liquidity analysis**

| | | Less than 1 year | Between 1 to 5 years | More than 5 years |
|---|---|---|---|---|
| Shareholders loans | **383 453 569.78** | 0.00 | 0.00 | 383 453 569.78 |
| Interest payable in the future * | **60 114 332.25** | 5 760 438.02 | 23 470 990.53 | 30 882 903.70 |
| Short term shareholders loan | **2 301 286.71** | 2 301 286.71 | 0.00 | 0.00 |
| Trade payables | **133 346.41** | 133 346.41 | 0.00 | 0.00 |
| Other current liabilities | **346 209 983.00** | 346 209 983.00 | 0.00 | 0.00 |

* Assuming that all cash payments and interest computation are made on the 1st January of each year, therefore it is not correct and assumed immaterial.

***Note 18 – Fair value of financial instruments***

The fair value of financial assets and financial liabilities equal approximately their carrying value. All financial instruments held and issued by the Company falls into the level 3 category.

***Note 19 – Commitments and contingencies***

There was no commitment or contingency requiring disclosure in the financial statements.

***Note 20 – First time adoption reconciliation***

The Company previously issued its separate financial statements as at 31 December 2014 in accordance with accounting principles as per Luxembourg legal and regulatory requirements ("Lux GAAP"). Therefore, the Company is considered as a first time adopter of IFRS. No transition accounting has been applied and all the transactions have been accounted for in accordance with IFRS requirements, ignoring IFRS 1 exemptions. The only difference between Lux GAAP and IFRS for transactions the Company has entered in is the requirement to recognize unrealized foreign currency gains for balances in currencies other than EUR in IFRS.

***Note 20 – First time adoption reconciliation (continued)***

| | 31 December 2014<br>EUR | 1 January 2014<br>EUR |
|---|---|---|
| Net equity reported under Lux GAAP | 9 927.39 | 8 193.33 |
| Net effect on unrealized foreign currency gains | 1 008 873.58 | --- |
| Net equity reported in IFRS | **1 018 800.97** | **8 193.33** |
| | | |
| Profit / (loss) reported under Lux GAAP | 1 734.06 | (4 406.67) |
| Net effect on unrealized foreign currency gains | 1 008 873.58 | --- |
| Profit / (loss) reported in IFRS | **1 010 607.64** | **(4 406.67)** |

***Note 21 – Subsequent events***

There was, after closing date, no significant event requiring an update of the provided information or adjustments to the annual accounts as at 31 December 2015.

***Note 22– Result allocation proposal***

The Sole Manager proposes to allocate the 2015 profit of 822,479.81 to the retained earnings after allocating EUR 1,260.00 to the legal reserve.

This affection will be submitted to the approval of the Annual General Meeting to be held on 7 December 2016.

***Note 23 – Sole Manager***

The Sole Manager of the Company for the year 2015 is Constellation Hotels Holding GP S.àr.l., which itself is represented by a Board of Managers composed as follows:

H.E. Sheikh Hamad bin Jassim bin Jabr AL-THANI, professionally residing at Wajba Palace, Dukhan Road, Doha, Qatar, Class A Manager;

Mr. Jean FABER, professionally residing in L-Luxembourg, Class B Manager.