



**PELIKAN HOLDING AG**

**2015 ANNUAL REPORT**

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## REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Pelikan Holding AG achieved a significant improvement in result for the year 2015 which amounted to a profit of CHF 33.5 million compared to a loss of CHF 6.7 million in 2014. This improvement was mainly due to the effects of the contribution in kind of key subsidiaries/associates namely Pelikan Vertriebsgesellschaft mbH & Co.KG, Pelikan Vertrieb Verwaltungs-GmbH, Pelikan Italia S.p.a., Pelikan (Schweiz) AG, Pelikan Argentina S.A., Pelikan Colombia S.A.S., Pelikan Mexico S.A. de CV and Pelikan Japan K.K. into Pelikan AG, Germany which was completed in April 2015.

Year 2015 was mainly influenced by the contribution of business into Pelikan AG Group. The goal of streamlining the Group's key stationery business into Pelikan AG Group was to form a cohesive and focused core organisation with a clear business structure to further develop its stationery businesses and improve sales performance going forward. Since completing the consolidation of the businesses between Pelikan and herlitz in Germany, the streamlined stationery group under Pelikan AG Group has shown positive results year to date. Pelikan Holding AG will participate in the future growth of Pelikan AG Group. The focus of Pelikan AG Group is to improve margins with better product offerings, to increase market shares in core European markets, and to grow revenue, brand awareness and product assortments in other potential markets in the Latin American and Asian regions.

It is imperative to the Group to focus on the brands – Pelikan, herlitz, Geha and Susy Card – and the attributes that improve the value of the brands. By focusing on the markets and product ranges that give the Group the best growth potential in terms of sales, profitability and market shares, the Group is able to focus on growth and deliver on performance. The Group puts emphasis on research and development (“R&D”) to ensure continuity in product and marketing innovation, and allocates significant resources to promote and market our products to our target consumers. The R&D efforts paid off as the brands were rewarded with prestigious awards for the design and functionality of our products. Amongst the recognitions were the ‘Red Dot Design Award’ for griffix® Stylus writing instrument, the “Trophee du Stylo Feminin” at the Trophées du Stylographe 2015 award presented by the well-known French magazine Le Stylographe for the Souverän Series 600 Pink Striped, and two awards by the Pen World's Readers' Choice Award 2015 for the Pelikan M101N Tortoise Shell Red in the category “Best Vintage-inspired pen” and the Limited Edition M1000 Raden Starlight which won the award for the “Best Urushi Arts Pen”.

From 2015 on, Pelikan Holding AG will make use of the exemptions of article 963a OR and will not prepare consolidated financial statements for Pelikan Holding AG Group anymore. The annual financial statements of its main investment in Pelikan AG Group, Berlin and its parent company Pelikan International Corporation Berhad are both published publicly.

The board of directors would like to take the opportunity to thank the management and all employees for their passion, commitment, tireless efforts and unwavering dedication towards the Group in driving the brands, developing the products, pushing the promotional activities and delivering the best solutions for our customers. The Group thanks our fans, shareholders, investors, business associates and all other stakeholders for their endless support to the Brand and Group.

On behalf of the Board of Directors



Loo Hooi Keat  
20 May 2016

**Pelikan Holding AG, Feusisberg**

**Financial Statements  
2015**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER**

	Note	2015 CHF(000)	2014 CHF(000)
Income from investments		319	535
Administration expenses	2	(2,439)	(2,870)
Exchange differences		(363)	(83)
Interest income		796	868
Interest expense		(932)	(856)
Extraordinary income	3	95,895	-
Extraordinary expenses	4	(55,450)	(4,245)
Result before taxation		<u>37,826</u>	<u>(6,651)</u>
Taxes	5	(4,368)	(2)
Net result for the year		<u>33,458</u>	<u>(6,653)</u>

**BALANCE SHEET AS AT 31 DECEMBER**

	Note	2015 CHF(000)	2014 CHF(000)
<b>ASSETS</b>			
<b>Current assets</b>			
Bank		95	65
Receivables from subsidiary companies	6	13,182	14,121
Receivables from parent and its related companies		146	178
Other receivables		-	-
		<u>13,423</u>	<u>14,364</u>
<b>Non-current assets</b>			
Loans receivable from subsidiary companies	7	6,496	7,217
Investments	8	116,331	78,958
		<u>122,827</u>	<u>86,175</u>
<b>TOTAL ASSETS</b>		<u>136,250</u>	<u>100,539</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Interest-bearing payables to subsidiary companies	9	26,293	18,349
Non-interest-bearing payables to subsidiary companies	10	807	135
Interest-bearing payables to parent	11	2,522	2,545
Other liabilities to third parties		228	272
Short term provision		4,016	2,934
		<u>33,866</u>	<u>24,235</u>
<b>Non-current liabilities</b>			
Interest-bearing payables to parent	11	21,556	21,010
Non-interest-bearing payables to parent	11	3	3
Tax provision		4,362	-
		<u>25,921</u>	<u>21,013</u>
<b>Shareholders' equity</b>			
Capital stock	12	100,100	100,100
Statutory reserves	13	1,166	13,452
Accumulated deficit		(24,803)	(58,261)
		<u>76,463</u>	<u>55,291</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>136,250</u>	<u>100,539</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER**

<b>CHF (000)</b>	<b>Capital stock</b>	<b>Statutory reserves</b>	<b>Accumulated deficit</b>	<b>Total equity</b>
Balance 1 Jan. 2014	100,100	13,452	(51,608)	61,944
Result 2014	-	-	(6,653)	(6,653)
<b>Balance 31 Dec. 2014</b>	<b>100,100</b>	<b>13,452</b>	<b>(58,261)</b>	<b>55,291</b>
Release revaluation reserves	-	(12,286)	-	(12,286)
Result 2015	-	-	33,458	33,458
<b>Balance 31 Dec. 2015</b>	<b>100,100</b>	<b>1,166</b>	<b>(24,803)</b>	<b>76,463</b>

## NOTES TO THE FINANCIAL STATEMENTS 2015

### 1. Accounting policies and other information

Pelikan Holding AG is preparing its financial statements according to Swiss law especially the articles 957 to 962 OR. The changes in Swiss law were adapted in 2015 for the first time, the financials of prior year were adjusted where necessary for comparison reasons.

Pelikan Holding AG is not preparing consolidated financial statements anymore. Pelikan Holding AG uses the exemptions of article 963a OR and is referring to the annual financial statements of its parent Pelikan International Corporation Berhad, Malaysia.

Furthermore, Pelikan Holding AG is preparing its financial statements with the exemptions of article 961d OR because the parent company Pelikan International Corporation Berhad prepares its consolidated financial statements in accordance with an accepted accounting standard (IFRS).

Pelikan Holding AG is an Aktiengesellschaft with its domicile in Feusisberg. Pelikan Holding AG has no direct employees.

### 2. Administration expenses

CHF (000)	2015	2014
Cost coverage for a subsidiary	1,814	2,456
Charges from subsidiaries	452	135
Audit Fees / Legal and consulting charges	140	237
Other	33	42
Total	2,439	2,870

Cost coverage for a subsidiary are costs taken-over for restructuring of Pelikan Vertriebsgesellschaft mbH & Co.KG after the completion of the integration of Herlitz business in Germany and Austria.



### 3. Extraordinary income

Extraordinary income includes the gain from contribution in kind of several investments into Pelikan AG, Berlin, Germany.

### 4. Extraordinary expenses

CHF (000)	2015	2014
Impairment of investments	46,358	-
Value adjustment for waiver of loan with debt warrant to a subsidiary	7,420	2,228
Provision for guarantee granted to a subsidiary	1,083	400
Value adjustment for loan to subsidiaries	329	1,378
Value adjustment for waiver of loan to subsidiaries	260	239
Total	55,450	4,245

### 5. Taxes

CHF (000)	2015	2014
Corporate tax	4,238	-
Other	130	2
Total	4,368	2

Corporate tax expense is referring to a tax provision after the contribution in kind of Pelikan Vertriebsgesellschaft mbH & Co.KG into Pelikan AG.

## 6. Short-term receivables from subsidiary companies

CHF (000)	2015	2014
Pelikan AG Group	11,230	12,003
Pelikan Netherlands	1,206	1,340
Pelikan Austria	746	778
Total	13,182	14,121

## 7. Long-term receivables from subsidiary companies

CHF (000)	2015	2014
Pelikan AG Group	6,496	7,217
Total	6,496	7,217

## 8. Investments

Country and location	Name		Capital stock in 1000	Group Holding in %	thereof directly held by Pelikan Holding AG in %	Operation
<b>EUROPE</b>						
<b>Austria</b>						
Wiener Neudorf	Pelikan Austria GesmbH	EUR	872	100	100	D
<b>France</b>						
Les Ulis	Pelikan France SAS	EUR	250	100	100	D
<b>Germany</b>						
Berlin	Pelikan AG	EUR	242,257	51.4	50.9	H
Brilon	Linea GmbH (formerly Geha GmbH)	EUR	237	100	90	O
Hanover	Kreuzer Produktion + Vertrieb GmbH	EUR	26	100	0	O
Hanover	Pelikan GmbH	EUR	7,670	100	0	S
Hanover	Pelikan Hardcopy Distribution Verwaltung GmbH	EUR	25	100	100	O
Hanover	Pelikan Hardcopy Distribution GmbH & Co. KG	EUR	100	100	100	D
Hanover	Pelikan PBS-Produktion Verwaltungs-GmbH	EUR	26	100	100	O
Hanover	Pelikan PBS-Produktionsgesellschaft mbH & Co. KG	EUR	1,100	100	100	P
Hanover	ReMerch GmbH	EUR	95	100	100	S
<b>Greece</b>						
Markopoulo-Attica	Pelikan Hellas E.P.E.	EUR	497	100	95	D
<b>Netherlands</b>						
Rotterdam	Pelikan Nederland B.V.	EUR	3,630	100	100	S

**8. Investments (contd.)**

Country and location	Name		Capital stock in 1000	Group Holding in %	thereof directly held by Pelikan Holding AG in %	Operation
<b>Spain</b>						
Lliçà del Vall	Pelikan S.A.	EUR	1,000	100	0	D
<b>Sweden</b>						
Malmö	Pelikan Nordic AB	SEK	1000	100	100	O
<b>LATIN-AMERICA</b>						
<b>Costa Rica</b>						
San Jose	Pelikan Costa Rica S.A.	COL	150,059	100	100	O
<b>Venezuela</b>						
Caracas	Artof C.A.	VEB	50,020	25	25	O
<b>OTHER COUNTRIES</b>						
<b>Malaysia</b>						
Shah Alam	Pelikan Asia Sdn. Bhd.	MYR	10,500	100	100	D
<b>Turkey</b>						
Istanbul	Pelikan Ofis Ve Kirtasiye Malzemeleri Ticaret Ltd Sirketi	TRY	100	60	60	D
<b>USA</b>						
Nashville, TN	Pelikan, Inc.	USD	7,633	100	100	O

**Operation:**

P = Production companies

D = Distribution companies

S = Service/Real estate companies

H = Holding companies

O = Companies without operational activity

The subsidiaries Pelikan Hardcopy Distribution Verwaltung GmbH and Pelikan Hardcopy Distribution GmbH & Co. KG were incorporated in 2014.

Due to the contribution in kind, the investments in Pelikan N.V./S.A. (Belgium), Pelikan Vertriebsgesellschaft mbH & Co. KG (Germany), Pelikan Vertrieb Verwaltungs-GmbH (Germany), Pelikan (Schweiz) AG (Switzerland), Pelikan Argentina S.A. (Argentina), Pelikan Colombia S.A.S. (Colombia), Pelikan Mexico S.A. de CV (Mexico) and Pelikan Japan K.K. (Japan) were sold in 2015. In exchange to these investments Pelikan Holding AG received 123'410'554 shares of Pelikan AG (Germany). Within the same transaction, the indirect investment in Pelikan Italia S.p.a. (Italy) was sold by Pelikan Nederland B.V. in exchange of 1'100'000 shares of Pelikan AG (Germany).

## 8. Investments (contd.)

Pelikan AG, Berlin is listed at the German stock exchange and the indirect investments via this subsidiary are included in the following table.

Country and location	Name	Capital stock in 1000	Pelikan Holding AG Group Holding in %	thereof directly held by Pelikan Holding AG in %
<b>Germany</b>				
Berlin	Convex Schreibwaren-Handels GmbH	EUR 26	51.4	0
Falkensee	eCom Logistik GmbH & Co. KG	EUR 250	51.4	0
Falkensee	eCom Logistik Verwaltungs GmbH	EUR 25	51.4	0
Falkensee	Herlitz Papierverarbeitungs GmbH	EUR 25	51.4	0
Berlin	Mercoline GmbH	EUR 1,000	51.4	0
Falkensee	POS Servicegesellschaft mbH	EUR 25	51.4	0
Hanover	Pelikan Vertriebsgesellschaft mbH & Co. KG	EUR 2,100	51.4	0
Hannover	Pelikan Vertrieb Verwaltungs GmbH	EUR 26	51.4	0
<b>Belgium</b>				
Groot-Bijgaarden	Pelikan N.V./S.A.	EUR 837	51.4	0
<b>Bulgaria</b>				
Sofia	Herlitz Bulgaria EooD	BGN 5	51.4	0
<b>Czech Republic</b>				
Cestlice	Herlitz Spol. s.r.o.	CZK 200	51.4	0
<b>Hungaria</b>				
Budapest	Herlitz Hungaria Kft	HUF 3,000	51.4	0
<b>Italy</b>				
Milan	Pelikan Italia S.p.A.	EUR 1,560	51.4	0
<b>Poland</b>				
Przemierowo	Herlitz Spolka z o.o.	PLN 20,547	51.4	0
<b>Romania</b>				
Targu Mures	Herlitz Romania srl	RON 462	26.2	0
<b>Slovakia</b>				
Bratislava	Herlitz Slovakia s.r.o.	EUR 199	51.4	0
<b>Switzerland</b>				
Feusisberg	Pelikan (Schweiz) AG	CHF 500	51.4	0
<b>LATIN-AMERICA</b>				
<b>Argentina</b>				
Buenos Aires	Pelikan Argentina S.A.	ARS 13,780	51.4	0
<b>Colombia</b>				
Bogota	Pelikan Colombia S.A.S.	COP 15,487,749	51.4	0
<b>Mexico</b>				
Puebla	Pelikan Mexico S.A.	MXP 20,120	51.4	0
<b>OTHER COUNTRIES</b>				
<b>Japan</b>				
Tokyo	Pelikan Japan K.K.	JPY 100,000	51.4	0
<b>United Arab Emirates</b>				
Sharjah	Pelikan Middle East FZE	USD 501	51.4	0

**9. Interest-bearing payables to subsidiary companies**

CHF (000)	2015	2014
Pelikan PBS Produktionsgesellschaft mbH & Co.KG	15,388	8,640
Pelikan AG Group	10,435	9,021
Pelikan Nordic AB	261	259
Pelikan Ofis Ve Kirtasiye Malzemeleri Ticaret Ltd Sirketi	209	429
Total	26,293	18,349

**10. Non-interest-bearing payables to subsidiary companies**

CHF (000)	2015	2014
Pelikan GmbH	413	-
Pelikan AG Group	297	135
ReMerch GmbH	97	-
Total	807	135

**11. Payables to parent**

At the end of 2015 and 2014, these are payables to the parent, Pelikan International Corporation Berhad.

**12. Capital stock**

At 31 December 2015, the capital stock of CHF 100.1 million comprises the following shares:

539,000 Registered shares of nominal CHF 65

1,001,000 Bearer shares of nominal CHF 65

**13. Statutory reserves**

End of 2014, statutory reserves includes a revaluation reserve in an amount of CHF 12.3 million which relates to the revaluation of the investments that exceeds the original acquisition costs. This reserve is reversed in 2015 due to the contribution in kind of several investments into Pelikan AG, Berlin, Germany.

Statutory reserves in an amount of CHF 1.2 million (2014: CHF 13.5 million) are not distributable to shareholders.

**14. Contingent liabilities/ Guarantees**

Pelikan Holding AG granted letters of comfort, guarantees and an additional assumption of debt to banks and financial institutions in favour of its subsidiaries for credit line of a maximum of CHF 9.9 million (2014: CHF 7.8 million).

**15. Events after the balance sheet date**

These statutory financial statements were approved by the Board of Directors on 20 May 2016.

No other significant events have occurred since the balance sheet date and up to 20 May 2016, which could have an impact on these financial statements or which are required to be disclosed.

**PROPOSAL OF THE BOARD OF DIRECTORS FOR THE TREATMENT OF ACCUMULATED DEFICIT AS OF 31 DECEMBER 2015**

<u>CHF (000)</u>	<u>2015</u>	<u>2014</u>
Accumulated deficit at 1 January	<b>(58,261)</b>	(51,608)
Net result for the year	<b>33,458</b>	(6,653)
Accumulated deficit at 31 December to be carried forward	<u><b>(24,803)</b></u>	<u>(58,261)</u>

## REPORT OF THE STATUTORY AUDITOR

To the General Meeting of Pelikan Holding AG, Feusisberg

### Report of the Statutory Auditor on the Financial Statements

As statutory auditor, we have audited the accompanying financial statements of Pelikan Holding AG, which comprise the balance sheet as at 31 December 2015, and the income statement, statement of changes in equity and notes (page 4 to 14) for the year then ended.

#### Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.





### Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of accumulated deficit complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 20 May 2016

BDO Ltd

A handwritten signature in blue ink, appearing to read 'R. Frey'.

Reto Frey

Auditor in Charge  
Licensed Audit Expert

A handwritten signature in blue ink, appearing to read 'G. Schwengeler'.

Guido Schwengeler

Licensed Audit Expert

**INSTITUTIONS / MANAGEMENT as at 31 December 2015**

**Board of Directors**

**Loo Hooi Keat**

President

Selangor Darul Ehsan / Malaysia

**Frauke Wandrey**

Vice-President

Hanover / Germany

**Ho Ming Hon**

Member

Selangor Darul Ehsan / Malaysia

**Secretary of the Board of Directors**

**Frauke Wandrey**

Hanover / Germany

**Auditors**

**BDO Ltd**

Zurich / Switzerland

**Management**

**Loo Hooi Keat**

Selangor Darul Ehsan / Malaysia

**Frauke Wandrey**

Hanover / Germany

**Ho Ming Hon**

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