

P-AT 2012 A/S

ANNUAL REPORT

1 JANUARY – 31 DECEMBER **2015**

CVR 34 60 53 27

The Annual Report was presented
and adopted at
the Annual General Meeting of the
Company on 26 May 2016



Chairman

A-TΞX

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Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of P-AT 2012 A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31. December 2015 and of the results of the Company's operations for 2015.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herning, 26 May 2016

Executive Board

Miranda Kong

Supervisory Board



Christoph Rubeli
chairman



Florian Marquis



Miranda Kong

Independent Auditor's Report

To the shareholders of P-AT 2012 A/S

Independent auditors' report on the financial statements

We have audited the financial statements of P-AT 2012 A/S for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet and notes including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to 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 auditors' judgement, 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 auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, 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 opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Århus, 26 May 2016

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Claus Hammer-Pedersen
State Authorised Public Accountant

Company Information

The Company

P-AT 2012 A/S

Rosenholmsvej 1-5
DK-7400 Herning
Telephone: 96 29 00 00
Facsimile: 96 29 40 30
Website; www.a-tex.com
E-mail: info@a.tex.com

CVR no: 34 60 53 27

Founded: 2 July 2012

Financial Year: 1 January – 31 December

Municipality of reg. office: Herning, Denmark

Main activity

P-AT 2012 A/S is parent company in the A-TEX Group, whose main activity is trading in Brand identification accessories to the textile industry. A-TEX is one of the leading global suppliers of identity creating branding items – including labels, hang tags, badges, packaging solutions and store decorations for leading international fashion brands. We offer our customers innovative design and deliverance on time - as a result of effective and high quality logistic solutions. The products are sold in numerous countries, primarily to brand owners in Europe and US.

Supervisory Board

Christoph Rubeli, chairman
Florian Marquis
Miranda Kong

Executive Board

Miranda Kong

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Værkmestergade 25
8000 Århus C

Consolidated Financial Statements

The Company and subsidiaries are included in the Consolidated Financial Statements of the parent Labelon Group Ltd., Braintree, Essex, United Kingdom.

Review

Development in activities and financial conditions

The A-TEX Group, hereunder P-AT 2012 A/S, has in the current financial year been focused on continuous development of the activities and consolidation of the previous years' expansions and investments. The Group now has a global distribution network for servicing the European and American customers and A-TEX is therefore well prepared to respond to the customers' requirements in the future.

In 2015 A-TEX Group became a part of Trimco Group as the former majority shareholder sold the shares after 3 years' ownership. After the acquisition of A-TEX, Trimco Group is now a leading global player within the industry for garment accessories with more than 1,200 employees across 19 countries and well renowned in-house design, production and logistic capabilities. Trimco is the overall shell for the three individual brands: A-TEX (based in DK), Clotex (based in Hong Kong) and Labelon (based in UK).

The Company's profit for the financial year 2015 was DKK 5,4 mill. against DKK 7,6 mill. in 2014 and in line with expectations. 2015 was – as past years – a challenging year for the textile industry as the retail business on most markets was characterized by a general slowdown. In this light the result is seen as satisfactory.

A continued, intense focus on the sourcing and logistics set-up, has brought increased competitive advantage and has created a solid platform for future growth in both activity and earnings. To strengthen and to keep the Group's market position, there will be a continued focus on design, product development and IT systems, that support the Group's product- and logistics solutions. In addition the high focus on supplier management will continue as the CSR strategy is deeply integrated in the general business strategy.

Subsequent events

No events have occurred after the reporting period at 31 December 2015 that could affect the Company's financial position significantly.

Expectations for the year ahead

The Company expects an increasing level of activity and positive earnings in 2016 compared with 2015.

Factors of uncertainty to realize the expectations are related to the development in foreign exchange rates and the consumer retail business in general.

Income Statement 1 January - 31 December

	Note	2015 kDKK	2014 kDKK
Gross profit/loss		-29	-63
Staff expenses	1	0	0
Profit/loss before financial income and expenses		-29	-63
Income from investments in subsidiaries	2	5.426	7.602
Profit/loss before tax		5.397	7.539
Tax on profit/loss for the year	3	6	35
Net profit/loss for the year		5.403	7.574
Distribution of profit			
Proposed dividend for the year		0	0
Reserve for net revaluation under the equity method		5.426	0
Retained earnings		-23	7.574
		5.403	7.574

Balance Sheet 31 December

	Note	2015 kDKK	2014 kDKK
Assets			
Investments in subsidiaries	4	145.806	94.169
Fixed asset investments		145.806	94.169
Fixed assets in total		145.806	94.169
Receivables from group enterprises		276	0
Deferred tax asset		86	80
Receivables		362	80
Cash at bank and in hand		0	342
Current assets in total		362	422
Assets		146.168	94.591
Liabilities and equity			
Share capital		9.621	9.621
Reserve for net revaluation under the equity method		54.738	3.101
Retained earnings		81.783	81.806
Equity	5	146.142	94.528
Other payables		26	63
Short-term debt		26	63
Total debt		26	63
Liabilities and equity		146.168	94.591
Contingent assets, liabilities and other financial obligations	6		
Related parties and ownership	7		

Notes to the Annual Report

1 Staff expenses

No people have been employed with the Company. The management has not received any remuneration.

2 Income from investments in subsidiaries

Share of profit/loss of subsidiaries

2015	2014
kDKK	kDKK
5.426	7.602
5.426	7.602

3 Tax on profit/loss for the year

Current tax for the year

Deferred tax for the year

0	0
-6	-35
-6	-35

4 Investments in subsidiaries

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Ownership
A-TEX Holding A/S	Herning, Denmark	61%
A-TEX A/S	Herning, Denmark	100%
A-TEX Asia Ltd.	Hong Kong	100%
A-TEX Trading (Shanghai) Co Ltd. *	China, Shanghai	100%
A-TEX Trading (Dongguan) Co Ltd. *	China, Dongguan	100%
A-TEX Tekstil Tic Ltd.	Istanbul, Turkey	100%
A-TEX International Ltd.	Dhaka, Bangladesh	100%
A-TEX (India) Private Ltd.	Delhi, India	100%
A-TEX US Inc.	New York, USA	100%
A-TEX Germany GmbH	Bochum, Germany	100%
A-TEX Netherlands b.V	Amsterdam, Holland	100%
A-TEX Branding Ltd.	Leceister, UK	100%
A-TEX Italy S.r.l.	Padova, Italy	100%
A-TEX Sweden AB	Borås, Sweden	100%
ApS af 04.07.2012	Herning, Denmark	100%

* A-TEX China is 100% owned by A-TEX Asia.

5 Equity

Equity 1 January

Other equity movements

Net profit/loss for the year

Equity 31 December

2015	2014
kDKK	kDKK
94.528	84.355
46.211	2.599
5.403	7.574
146.142	94.528

The share capital consists of 9,524,790 A-shares of a nominal value of DKK 1 and nominal 96,210 B shares of a nominal value of DKK 1.

Notes to the Annual Report

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

7 Related parties and ownership

Controlling interest

Labelon Group Ltd., United Kingdom, majority share holder.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or atleast 5% of the share capital:

Labelon Group Ltd.

- Office address: Unit 10, Chilford Court, Rayne Road, Braintree, Essex, CM7 2QS, United Kingdom
- Registered office address: 1 Park Row, Leeds, LS1 5AB, United Kingdom
- United Kingdom company registration number: 05218660

Consolidation

P-AT 2012 A/S and subsidiaries are included in the consolidated statements of Labelon Group Ltd.

Accounting Policies

Basis of Preparation

The Financial Statements of P-AT 2012 A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium enterprises of reporting class C.

With reference to section 112,1 in the Danish Financial Statements Act the consolidated Financial Statements have not been disclosed. The Financial Statements of the Company and subsidiaries are included in the Consolidated Financial Statements of Labelon Group Ltd., United Kingdom.

With reference to section 86 in the Danish Financial Statements Act the Cash Flow Statement have not been disclosed. The Cash Flow Statements of the Company and subsidiaries are included in the Consolidated Financial Statements of Labelon Group Ltd., United Kingdom, which also include a Consolidated Cash Flow Statement.

The accounting policies used in the preparation of the financial statement are changed from reporting class C (large) to B under the Danish Financial Statements Act. The change has no effect on the reported numbers.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015 is presented in DKK 1,000s (kDKK).

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised.

Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Accounting Policies

Income statement

Gross profit/loss

With reference to section 32 in the Danish Financial Statements Act revenue, expenses for raw materials and consumables and other external expenses have been summarized into the item "Gross profit/loss" in the income statement.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as administration expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, amortisation of mortgage loans as well as extra payments and repayment under the onaccount taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognized in the income statement, whereas the tax attributable to equity transactions is recognized directly in equity.

The Company is jointly taxed with Danish related companies. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes. P-AT 2012 A/S is administrator in the joint taxation.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries and associates are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

Goodwill is amortized on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The maximum amortization period is 20 years, the longest period applying to enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Other intangible fixed assets are amortized on a straight-line basis over the estimated useful life determined on the basis of Management's experience with the individual business areas. The amortization period is between 3 and 7 years.

The carrying amounts of goodwill and other intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortization. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. Goodwill and other assets for which a separate value in use cannot be determined as the

Accounting Policies

asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realizable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Equity - dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period. Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan.

Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.