

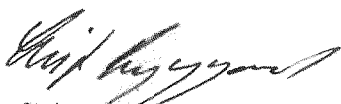
# P-AT 2012 A/S

## ANNUAL REPORT

1 JANUARY – 31 DECEMBER **2016**

**CVR 34 60 53 27**

The Annual Report was presented  
and adopted at  
the Annual General Meeting of the  
Company on 30. May 2017

  
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 2016.

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 2016 and of the results of the Company's operations for 2016.

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.

Herring, 30. May 2017

## Executive Board

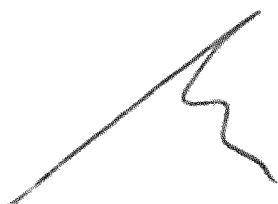


Miranda Kong

## Supervisory Board



Christoph Rubeli  
chairman



Florian Marquis



Miranda Kong

# Independent Auditor's Report

To the shareholders of P-AT 2012 A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company's operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of P-AT 2012 A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of change in equity and notes, including a summary of significant accounting policies ("financial statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's Responsibilities 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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# Independent Auditor's Report

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Herning, 30. May 2017

PRICEWATERHOUSECOOPERS  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31



Henrik Skjøtt Sørensen  
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](http://www.a-tex.com)  
E-mail: [info@a.tex.com](mailto: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

### Supervisory Board

Christoph Rubeli, chairman  
Florian Marquis  
Miranda Kong

### Executive Board

Miranda Kong

### Auditors

PriceWaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Platanvej 4  
7400 Herning

### 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

## 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.

## 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, cost savings 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.

A-TEX Group is a part of Trimco Group which is a leading global player within the industry for garment accessories with more than 1,200 employees across 19 countries and well renown 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 2016 was DKK 17,1 mill. against DKK 5,4 mill. in 2015 and in line with expectations. 2016 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 2016 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 2017 compared with 2016.

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	2016 DKK	2015 DKK
Gross profit/loss		-5	-29
<b>Profit/loss before financial income and expenses</b>		<b>-5</b>	<b>-29</b>
Income from investments in subsidiaries	1	17.083	5.426
<b>Profit/loss before tax</b>		<b>17.078</b>	<b>5.397</b>
Tax on profit/loss for the year	2	-17	6
<b>Net profit/loss for the year</b>		<b>17.061</b>	<b>5.403</b>
<b>Distribution of profit</b>			
Reserve for net revaluation under the equity method		17.083	5.426
Retained earnings		-22	-23
		<b>17.061</b>	<b>5.403</b>



## Balance Sheet 31 December

	Note	2016 DKK	2015 DKK
<b>Assets</b>			
Investments in subsidiaries	3	162.287	145.806
<b>Fixed asset investments</b>		<b>162.287</b>	<b>145.806</b>
<b>Fixed assets in total</b>		<b>162.287</b>	<b>145.806</b>
Receivables from group enterprises		251	276
Deferred tax asset		65	86
<b>Receivables</b>		<b>316</b>	<b>362</b>
<b>Current assets in total</b>		<b>316</b>	<b>362</b>
<b>Assets</b>		<b>162.603</b>	<b>146.168</b>
<b>Liabilities and equity</b>			
Share capital		9.621	9.621
Reserve for net revaluation under the equity method		71.219	54.738
Retained earnings		81.761	81.783
<b>Equity</b>		<b>162.601</b>	<b>146.142</b>
Other payables		2	26
<b>Short-term debt</b>		<b>2</b>	<b>26</b>
<b>Total debt</b>		<b>2</b>	<b>26</b>
<b>Liabilities and equity</b>		<b>162.603</b>	<b>146.168</b>
Contingent assets, liabilities and other financial obligations	4		
Related parties and ownership	5		

## Statement of Change in Equity

	Share capital	Reserve for net	Retained earnings	Proposed dividend for	Total
	DKK	DKK	DKK	DKK	DKK
Equity 1 January	9.621	54.738	81.783	0	146.142
Other equity movements	0	-602	0	0	-602
Net profit/loss for the year	0	17.083	-22	0	17.061
<b>Equity 31 December</b>	<b>9.621</b>	<b>71.219</b>	<b>81.761</b>	<b>0</b>	<b>162.601</b>

# Notes to the Annual Report

	2016	2015
	DKK	DKK
<b>1 Income from investments in subsidiaries</b>		
Share of profit/loss of subsidiaries	17.083	5.426
	<b>17.083</b>	<b>5.426</b>
<b>2 Tax on profit/loss for the year</b>		
Deferred tax for the year	-11	-6
Adjustment of tax concerning previous years	28	0
	<b>17</b>	<b>-6</b>

### 3 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.

## Notes to the Annual Report

### 4 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.

### 5 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 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium enterprises of reporting class B as well as selected rules applying to 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 applied remain unchanged from previous years.

The Annual Report for 2016 is presented in DKK 1,000s (kDKK).

## Recognition and measurement

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

Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, 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 recognized 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 recognized 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 recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized 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.

## Income statement

# Accounting Policies

## 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.

## Income of investments in subsidiaries

The item "Income of investments in subsidiaries" in income statement includes proportionate share of profit for the year.

## Financial income and expenses

Financial income and expenses comprise interest, realized and unrealized exchange adjustments, amortization of mortgage loans as well as extra payments and repayment under the on account 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 recognized 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 unrealized 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 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.

## Accounting Policies

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 recognized at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognized in provisions.

### Receivables

Receivables are measured in the balance sheet at the lower of amortized 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 realized, 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 crystallize as current tax. Any changes in deferred tax due to changes to tax rates are recognized in the income statement.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognized 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 recognized 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 amortized cost; the difference between the proceeds and the nominal value is recognized as an interest expense in the income statement over the loan period. Mortgage loans are measured at amortized cost, which for cash loans corresponds to the remaining loan.

Amortized 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 amortized cost, substantially corresponding to nominal value.