A-TEX HOLDING A/S

Rosenholmvej 1-5, DK-7400 Herning

Annual Report for 1 January - 31 December 2018

CVR No 34 60 79 23

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31/5 2019

Leif Lynggaard
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of A-TEX HOLDING A/S for the financial year 1 January - 31 December 2018.

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 2018 of the Company and of the results of the Company operations for 2018.

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

Herning, 31 May 2019

Executive Board

Miranda Shui Yau Kong
Executive Officer

Board of Directors

Chuk Kwan Wan Chairman	Wai Yee Lam	Miranda Shui Yau Kong

Independent Auditor's Report

To the Shareholder of A-TEX HOLDING 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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of A-TEX HOLDING A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

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.

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 judgement and maintain professional scepticism 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, 31 May 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Skjøtt Sørensen
State Authorised Public Accountant
mne26807

Company Information

The Company	A-TEX HOLDING A/S Rosenholmvej 1-5 DK-7400 Herning Telephone: + 45 96 29 00 00 E-mail: info@a.tex.com Website: www.a-tex.com CVR No: 34 60 79 23 Financial period: 1 January - 31 December Incorporated: 2 July 2012 Municipality of reg. office: Herning, Denmark
Board of Directors	Chuk Kwan Wan , Chairman Wai Yee Lam Miranda Shui Yau Kong
Executive Board	Miranda Shui Yau Kong
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Platanvej 4 DK-7400 Herning

Income Statement 1 January - 31 December

	Note	2018 TDKK	2017 TDKK
Gross profit/loss		**-150**	**-37**
Income from investments in subsidiaries	2	47.560	35.624
Financial expenses		-35	0
Profit/loss before tax		**47.375**	**35.587**
Tax on profit/loss for the year	3	5	7
Net profit/loss for the year		**47.380**	**35.594**

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	0	31.580
Reserve for net revaluation under the equity method	31.217	14.769
Retained earnings	16.163	-10.755
	47.380	**35.594**

Balance Sheet 31 December

Assets

	Note	2018	2017
		TDKK	TDKK
Investments in subsidiaries		288.411	241.887
Fixed asset investments		**288.411**	**241.887**
Fixed assets		**288.411**	**241.887**
Receivables from group enterprises		14.573	46.227
Corporation tax		0	8
Corporation tax receivable from group enterprises		3.010	0
Receivables		**17.583**	**46.235**
Cash at bank and in hand		**22**	**22**
Currents assets		**17.605**	**46.257**
Assets		**306.016**	**288.144**

Balance Sheet 31 December

Liabilities and equity

	Note	2018	2017
		TDKK	TDKK
Share capital		15.001	15.000
Reserve for net revaluation under the equity method		30.181	0
Retained earnings		258.005	241.551
Equity		**303.187**	**256.551**
Payables to group enterprises		0	28.255
Corporation tax		2.816	0
Other payables		13	3.338
Short-term debt		**2.829**	**31.593**
Debt		**2.829**	**31.593**
Liabilities and equity		**306.016**	**288.144**
Key activities	1		
Contingent assets, liabilities and other financial obligations	4		
Related parties	5		
Accounting Policies	6		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	15.000	0	241.551	256.551
Net effect from merger and acquisition under the uniting of interests method	1	0	291	292
Adjusted equity at 1 January	15.001	0	241.842	256.843
Other equity movements	0	-1.036	0	-1.036
Net profit/loss for the year	0	31.217	16.163	47.380
Equity at 31 December	**15.001**	**30.181**	**258.005**	**303.187**

During 2018 the company was merged with the former parent company P-AT 2012 A/S with retroactive effect to January 2018.

Notes to the Financial Statements

1 Key activities

A-TEX Holding 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 quaity logistic solutions. The products are sold in numerous countries, primarily to brand owners in Europe and US.

	2018	2017
	TDKK	TDKK
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	52.748	47.695
Amortisation of goodwill	-5.771	-14.596
Adjustment of deferred tax regarding goodwill and other intangible fixed assets	496	2.438
Change in intercompany profit on fixed assets and other fair value adjustments	87	87
	47.560	**35.624**

3 Tax on profit/loss for the year

	2018	2017
Current tax for the year	-5	-8
Adjustment of tax concerning previous years	0	1
	-5	**-7**

4 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with the Group's total debt with CTBC Bank co. LTD.:

	2018	2017
Bank deposits	22	22

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 2,816. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

5 Related parties

	Basis
Controlling interest	
Labelon Group Ltd., United Kingdom	Ultimative

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm’s length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

There have been no transactions with the Supervisory Board, the Executive Board, senior officers, significant shareholders, group enterprises or other related parties, except for intercompany transactions and normal management remuneration.

Ownership

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

Labelon Group Ltd. (United Kingdom company registration number: 0521860)
- Office adress: Unit 10, Chilford Court, Rayne Road, Braintree, Essex, CM7 2QS, United Kingdom
- Registered office address: 1 Park Row, Leeds, LS1 5AB, United Kingdom

Consolidated Financial Statements

A-TEX Holding A/S and subsidiaries are included in the consolidated statements of the parent company.

Name	Place of registered office
Labelon Group Ltd	1 Park Row, Leeds, LS1 5AB, United Kingdom

Notes to the Financial Statements

6 Accounting Policies

The Annual Report of A-TEX HOLDING A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in TDKK.

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 recognised 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.

Business combinations

Uniting of interests

Intragroup business combinations are accounted for under the uniting-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The uniting-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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.

Notes to the Financial Statements

6 Accounting Policies (continued)

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 rates at the time when the receivable or the debt arose 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

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Income from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

Balance Sheet

Investments in subsidiaries

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

Notes to the Financial Statements

6 Accounting Policies (continued)

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 the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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 the subsidiaries.

Subsidiaries 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 realisable 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, and in respect of trade receivables, a general provision is also made based on the Company’s experience from previous years.

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 are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

6 **Accounting Policies** (continued)

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

Loans are recognised 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.