

To the general shareholders' meeting of

## **Pelikan Holding AG**

Chaltenbodenstrasse 8  
8834 Schindellegi

# **Report of the statutory auditor on the limited statutory examination of the financial statements for the year 2019**

(for the year ended 31.12.2019)

20 March 2020  
2110 3638 / FY/GSC

**Report of the statutory auditor on the limited statutory examination**  
to the general shareholders' meeting of

**Pelikan Holding AG, Feusisberg**

As statutory auditor, we have examined the financial statements of Pelikan Holding AG, which comprise the balance sheet as at 31 December 2019, and the income statement, the statement of changes in equity and notes for the financial year then ended.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Zurich, 20 March 2020

BDO Ltd

Reto Frey  
Auditor in Charge  
Licensed Audit Expert

Guido Schwengeler  
Licensed Audit Expert

Enclosure  
Financial statements

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

	Note	2019 CHF(000)	2018 CHF(000)
Income from investments		-	-
Administration expenses	2	(91)	(117)
Exchange differences		812	613
Interest income		87	96
Interest expense		(896)	(890)
Extraordinary income	3	283	3,779
Extraordinary expenses	4	(3,013)	(3,751)
Result before taxation		(2,818)	(270)
Taxes	5	(7)	(6)
Net result for the year		(2,825)	(276)

**BALANCE SHEET AS AT 31 DECEMBER**

	Note	2019 CHF(000)	2018 CHF(000)
<b>ASSETS</b>			
<b>Current assets</b>			
Bank		2	3
Receivables from subsidiary companies	6	3,848	5,576
		<u>3,850</u>	<u>5,579</u>
<b>Non-current assets</b>			
Investments	7	117,707	116,331
		<u>117,707</u>	<u>116,331</u>
<b>TOTAL ASSETS</b>		<u>121,557</u>	<u>121,910</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Interest-bearing payables to subsidiary companies	8	29,266	27,022
Other liabilities to third parties		32	40
Short term provision		2,196	2,172
Tax provision		4,362	4,362
		<u>35,856</u>	<u>33,596</u>
<b>Non-current liabilities</b>			
Interest-bearing payables to parent	9	19,480	19,238
		<u>19,480</u>	<u>19,238</u>
<b>Shareholders' equity</b>			
Capital stock	10	100,100	100,100
Statutory reserves	11	1,166	1,166
Accumulated deficit		(35,045)	(32,190)
		<u>66,221</u>	<u>69,076</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>121,557</u>	<u>121,910</u>

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

CHF (000)	Capital stock	Statutory reserves	Accumulated deficit	Total Equity
Balance 1 Jan. 2018	100,100	1,166	(31,914)	69,352
Result 2018	-	-	(276)	(276)
<b>Balance 31 Dec. 2018</b>	<b>100,100</b>	<b>1,166</b>	<b>(32,190)</b>	<b>69,076</b>
Merge of a subsidiary	-	-	(30)	(30)
Result 2019	-	-	(2,825)	(2,825)
<b>Balance 31 Dec. 2019</b>	<b>100,100</b>	<b>1,166</b>	<b>(35,045)</b>	<b>66,221</b>

## NOTES TO THE FINANCIAL STATEMENTS 2019

### 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.

Pelikan Holding AG is not preparing consolidated financial statements. 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)	2019	2018
Audit Fees / Legal and consulting charges	46	46
Charges from subsidiaries	38	40
Other	7	31
Total	91	117

### 3. Extraordinary income

CHF (000)	2019	2018
Reversal of value adjustment for subsidiaries	161	1,934
Gain from liquidation of a subsidiary	122	-
Reversal of provision	-	1,845
Total	283	3,779

**4. Extraordinary expenses**

<u>CHF (000)</u>	<u>2019</u>	<u>2018</u>
Value adjustment for waiver of loan with debt warrant to a subsidiary	<b>3,013</b>	2,021
Value adjustment for waiver of loan to subsidiaries	-	1,730
Total	<b>3,013</b>	3,751

**5. Taxes**

<u>CHF (000)</u>	<u>2019</u>	<u>2018</u>
Holding tax	<b>7</b>	6
Total	<b>7</b>	6

**6. Short-term receivables from subsidiary companies**

<u>CHF (000)</u>	<u>2019</u>	<u>2018</u>
Pelikan Group GmbH and its subsidiaries	<b>3,005</b>	3,499
Pelikan Austria GesmbH	<b>842</b>	856
ReMerch GmbH	<b>1</b>	1
Pelikan Nederland B.V.	-	1,220
Total	<b>3,848</b>	5,576

**7. 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 Group GmbH	EUR	242,257	51.4	51.4	H
Brilon	Linea GmbH	EUR	237	100	90	O
Hanover	Kreuzer Produktion + Vertrieb GmbH	EUR	26	20	0	O
Hanover	Pelikan GmbH	EUR	7,670	100	0	S
Hanover	Pelikan Hardcopy Distribution Verwaltung GmbH	EUR	25	100	100	O
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 i.L.	EUR	95	100	100	S
<b>Greece</b>						
Markopoulo-Attica	Pelikan Hellas E.P.E.	EUR	497	100	100	D
<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

**Operation:**

P = Production companies

D = Distribution companies

S = Service/Real estate companies

H = Holding companies

O = Companies without operational activity



**7. Investments (contd.)**

The subsidiary Pelikan Nederlands B.V. has been liquidated on 10 December 2019.

As at 05 June 2019, the subsidiary Pelikan Hardcopy Distribution GmbH & Co. KG has been merged into Pelikan Holding AG after the withdrawal of Pelikan Hardcopy Distribution Verwaltungs GmbH as a limited partner. Pelikan Hardcopy Distribution GmbH & Co. KG was thereby dissolved and ceased to exist without being liquidated.

Pelikan Group GmbH withdrew as a limited partner in eCom Logistik GmbH & Co. KG effective as of 30 September 2018. As a result of that withdrawal, the general partner, eCom Logistik Verwaltungs GmbH, took over the business of eCom Logistik GmbH & Co. KG, including all assets and liabilities, from that date (accretion). eCom Logistik GmbH & Co. KG was thereby dissolved and ceased to exist without being liquidated. As of 1 October 2018, it no longer belonged to the group of consolidated companies.

The subsidiary Pelikan Group GmbH sold its 100% investment in Mercoline GmbH with effective date 31 May 2018.

The subsidiary Herlitz Papierverarbeitungs GmbH, which has not engaged in operational activity for some time, was merged with Pelikan Group GmbH effective as of 1 January 2018.

**7. Investments (contd.)**

The indirect investments via the subsidiary Pelikan Group GmbH, Berlin are included in the following table.

<b>Country and location</b>	<b>Name</b>		<b>Capital stock in 1000</b>	<b>Pelikan Holding AG Group Holding in %</b>	<b>thereof directly held by Pelikan Holding AG in %</b>
<b>Germany</b>					
Berlin	Convex Schreibwaren-Handels GmbH	EUR	26	51.4	0
Falkensee	eCom Logistik GmbH	EUR	25	51.4	0
Hanover	Pelikan Vertriebsgesellschaft mbH & Co. KG	EUR	2,100	51.4	0
Hanover	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>Spain</b>					
Lliçà del Vall	Pelikan S.A.	EUR	60	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	30,000	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>Malaysia</b>					
Shah Alam	Pelikan Procurement SDN BHD	MYR	1,000	51.4	0
<b>United Arab Emirates</b>					
Sharjah	Pelikan Middle East FZE	USD	501	51.4	0
<b>Taiwan</b>					
Taipeh	Pelikan Taiwan Co. LTD	TWD	2,500	51.4	0

## 8. Interest-bearing payables to subsidiary companies

CHF (000)	2019	2018
Pelikan PBS Produktionsgesellschaft mbH & Co.KG	22,264	19,799
Pelikan Group GmbH and its subsidiaries	6,818	6,834
Pelikan Ofis Ve Kirtasiye Malzemeleri Ticaret Ltd Sirketi	161	164
Pelikan Hardcopy Distribution Verwaltungs GmbH	23	-
Pelikan GmbH	-	225
Total	29,266	27,022

## 9. Payables to parent

At the end of 2019 and 2018, these are payables to the parent, Pelikan International Corporation Berhad.

## 10. Capital stock

At 31 December 2019, 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

## 11. Statutory reserves

Statutory reserves are not distributable to shareholders.

## 12. 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 2.3 million (2018: CHF 2.4 million).

## 13. Events after the balance sheet date

These statutory financial statements were approved by the Board of Directors on 20 March 2020.

As at 31 January 2020, World Health Organization (WHO) has named the spread of COVID-19 (so called Corona) a Public Health Emergency of International Concern. Board of Directors and Management of Pelikan Holding AG are looking on the development with care and decide on necessary measures if needed. With date of the approval of the statutory financial statements, the financial risks of the direct and indirect impact of Corona can't be judged on a reliable basis. Financial risks for Pelikan Holding AG could arise due to the investment in Pelikan Group GmbH and the corresponding investment valuation for this subsidiary.

**13. Events after the balance sheet date (contd.)**

A significant impact to this sub-group could then weaken the equity position of Pelikan Holding AG. Board of Directors and Management do not expect significant impacts for Pelikan Holding AG at this stage, but this can change during the course of the pandemic. As Corona has taken pandemic dimensions after balance sheet date, this event has not been accounted for in the financial statements 2019 according to the legal accounting standards.

No other significant events have occurred since the balance sheet date and up to 20 March 2020, which could have an impact on these financial statements or which are required to be disclosed.