



4 December 2020

To the creditors and shareholders as addressed

**The PAS Group Limited (Subject to Deed of Company Arrangement)
Section 444GA Application: Explanatory Statement to Shareholders and Independent
Expert's Report**

We refer to our appointment as Administrators, and subsequent Deed Administrators, of The PAS Group Limited (Subject to Deed of Company Arrangement) (**PAS Group**), and 18 of its subsidiaries (together, the **PAS Group Companies** as listed in Appendix A).

Since 4 September 2020, each of the PAS Group Companies have been subject to deeds of company arrangement (**DOCAs**). The DOCAs empower the Deed Administrators to, amongst other things, sell or realise the assets and undertakings of each PAS Group Company as we see fit and establish a distribution fund through which proceeds of those transactions will be aggregated and distributed to creditors.

As noted in our previous letter to creditors dated 28 October 2020, the Deed Administrators have entered into binding documentation for:

- the sale of PAS Group's Designworks business;
- the sale of PAS Group's Yarra Trail business; and
- the potential sale of PAS Group's shares to PAS Group International Pty Ltd (**Purchaser**) (**Implementation Deed**).

One of the conditions for completion of the share sale in the Implementation Deed is that the Deed Administrators obtain leave from the Federal Court of Australia (**Court**) under section 444GA of the *Corporations Act 2001* (Cth) to transfer all of the shares in PAS Group to the Purchaser (**Section 444GA Application**).

The Deed Administrators filed the Section 444GA Application on 27 November 2020. The Court has tentatively listed the final hearing of the Section 444GA Application at 9am on Friday 18 December 2020 at the Victorian Federal Court Registry, located at the Owen Dixon Commonwealth Law Courts Building, 305 William Street, Melbourne.

Shareholders and creditors of PAS Group, the Australian Securities and Investments Commission (**ASIC**) and other interested persons are entitled to object to the Section 444GA Application. Any shareholder or creditor of PAS Group who wishes to appear at the hearing to object to the Section 444GA Application must file and serve on the Deed Administrators and ASIC a notice of appearance and supporting affidavit by 4pm on Friday 11 December 2020. The notice of appearance and supporting affidavit must be in the Court's prescribed form and state any grounds of opposition to the Section 444GA Application.

The Deed Administrators have prepared an Explanatory Statement for the benefit of shareholders of PAS Group. The Explanatory Statement:

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au



- provides more detailed information about the Section 444GA Application, including the process for opposing the application;
- contains information about an application that the Purchaser has made to ASIC to enable the transfer of PAS Group's shares under the Implementation Deed; and
- includes copies of the Court documents filed by the Deed Administrators to initiate the Section 444GA Application.

The Explanatory Statement also encloses an Independent Expert's Report prepared by Leadenhall Corporate Advisory Pty Ltd, which provides a valuation of the equity in PAS Group for the purposes of the Court's consideration of the Section 444GA Application.

The Deed Administrators have made copies of the Explanatory Statement and the Independent Expert's Report available on:

- the ASX website (www.asx.com.au) under the issuer code "PGR";
- the website maintained by the Deed Administrators regarding the administrations of the PAS Group Companies (<https://insolvency.pwc.com.au/groupEntityCases/the-pas-group-ltd-and-associated-entities-all-administrators-appointed/casePage>) (**PAS Administration Website**); and
- the PAS Group website (<https://thepasgroup.com.au/section-444ga-application-information/>)

Copies of the Explanatory Statement and Independent Expert's Report can also be provided to you by email. To arrange this, please contact us by calling Nina Leong on +61 3 8603 1872 or emailing nina.leong@pwc.com.

The Deed Administrators will also make available on the PAS Administration Website and the PAS Group website copies of any orders made by the Court in relation to the Section 444GA Application.

If you have any questions concerning the Explanatory Statement, the Independent Expert's Report or the Section 444GA Application, please contact Anna McLaurin by phone on +61 3 8603 0970 or by email at anna.mclaurin@pwc.com.

Yours faithfully

A handwritten signature in black ink, appearing to be 'M. Ford', written over a light blue horizontal line.

Martin Ford, Stephen Longley and David McEvoy
Deed Administrators

Appendix A

The PAS Group Limited and Associated Entities (All Subject to Deed of Company Arrangement)

Company name	ACN
The PAS Group Limited	169 477 463
PASCO Group Pty Ltd	117 244 943
PAS Finance Pty Ltd	169 478 291
JETS Swimwear Pty Limited	068 819 581
AFG Retail Pty Limited	133 613 251
Chestnut Apparel Pty Limited	112 091 522
PASCO Operations Pty Ltd	112 078 547
Black Pepper Brands Pty Limited	112 065 559
Designworks Holdings Pty Limited	113 900 057
Designworks Clothing Company Pty Limited	117 343 807
World Brands Pty Ltd	075 219 135
Yarra Trail Holdings Pty Limited	110 901 561
Yarra Trail Pty Limited	110 902 102
Review Australia Pty Limited	122 295 836
The Capelle Group Pty Limited	121 867 641
Fiorelli Licensing Pty Limited	122 295 827
Metpas Pty Ltd	127 957 653
The Hopkins Group Aust Pty Limited	119 023 273
The PAS Group Distribution Company Pty Ltd (formerly known as Bondi Bather Pty Limited)	620 985 864