



28 October 2020

***To the creditor as addressed***

**PAS Group of Companies as per attached schedule (Appendix A)  
(All Subject to Deed of Company Arrangement)  
("the PAS Group or Group")**

We refer to our appointment as Administrators of the PAS Group, our subsequent appointment as Deed Administrators and the enclosed Administration Update dated 26 October 2020, concerning the entry of the PAS Group into sale transactions.

One of those sale transactions involves the potential sale of all shares in the PAS Group. A condition of that transaction is that the Deed Administrators make an application to Court under section 444GA of the Corporations Act 2001 (Cth) (**Section 444GA Application**) to seek consent for the transfer of PAS Group's shares to PAS Group International Pty Ltd, the potential new purchaser of the remainder of PAS Group's business (excluding the Designworks and Yarra Trail businesses, which are being transacted separately).

The Deed Administrators will send separate correspondence to shareholders in due course regarding the Section 444GA Application.

If you have any queries regarding this notice, please contact us at:

- Email: [au\\_pas\\_creditors@pwc.com](mailto:au_pas_creditors@pwc.com)
- Phone: (03) 8603 1000

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

Enc

---

**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](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

## Appendix A - Companies Subject to Deed of Company Arrangement

### The PAS Group Ltd 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 |
| Bondi Bather Pty Limited                 | 620 985 864 |

26 October 2020

## ADMINISTRATION UPDATE

### Entry into sale transaction for Designworks and Yarra Trail

The PAS Group Limited (ASX: PGR) (Subject to Deed of Company Arrangement) announces that it has entered into binding documentation for the sale of its Designworks and Yarra Trail businesses (**First Transaction**).

The details of the First Transaction are:

- Acquirer for Designworks: Designworks International Pty Ltd
- Acquirer for Yarra Trail: Yarra Trail International Pty Ltd
- Targeted completion date: On or before 24 December 2020

The First Transaction represents a sale of the Designworks and Yarra Trail businesses and the majority of their assets. The First Transaction ensures the continued employment for a majority of current employees of the businesses, who will be offered ongoing roles on the same or no lesser terms by the Acquirers. The First Transaction is subject to the satisfaction of certain conditions, which are expected to be satisfied.

The net proceeds of the First Transaction will be applied in accordance with the terms of the Deeds of Company Arrangement for The PAS Group Limited (Subject to Deed of Company Arrangement) and its wholly owned Australian subsidiaries.

### Entry into sale transaction for The PAS Group Limited

The PAS Group Limited (ASX: PGR) (Subject to Deed of Company Arrangement) announces that it has entered into binding documentation for, amongst other things, the possible sale of the shares in The PAS Group Limited (Subject to Deed of Company Arrangement) (**Second Transaction**).

The details of the Second Transaction are:

- Acquirer: PAS Group International Pty Ltd
- Targeted completion date: On or before 31 January 2021

The Second Transaction represents the potential sale of the remainder of The PAS Group as a whole. The Second Transaction is conditional upon a number of matters, including the completion of the First Transaction and the approval of the Federal Court of Australia for the sale of the shares in The PAS Group Limited (Subject to Deed of Company Arrangement) pursuant to section 444GA of the *Corporations Act 2001* (Cth).

The net proceeds of the Second Transaction will be applied in accordance with the terms of the Deeds of Company Arrangement for The PAS Group Limited (Subject to Deed of Company Arrangement) and its wholly owned Australian subsidiaries.

The sale price payable on completion of each Transaction (together, the **Transactions**) is expected to produce returns to creditors which exceed the estimated 'high case' liquidation return to creditors set out in section 2.8 of the 7 August 2020 Voluntary Administrators' report (but will not satisfy creditor claims in full).

As creditors will not be able to be repaid in full from the proceeds of sale from the Transactions, there is no expected return to shareholders arising from the Transactions.

The Deed Administrators will continue to update the ASX as appropriate.

This announcement has been approved for release by the Deed Administrators.

*-End-*

For further information, please contact:

Matthew Mahon, RoyceComm, 0413 101 860 or [matthew@royce.com.au](mailto:matthew@royce.com.au)

Alexander Baranikow, RoyceComm, 0438 838 322 or [alexander@royce.com.au](mailto:alexander@royce.com.au)