PDS MULTINATIONAL GROUP

Global FASHION Manufacturing & Sourcing
Designing, supplying to the world’s leading apparel retailers and brands.

ABOUT PDS MULTINATIONAL

190+ leading retailers & brands

50 offices in 18 countries — HQ Hong Kong

$1.25bn USD Revenue Est FY19-20
Our Group operates from a global network of 50 offices in 18 countries, supported by 2,800 Associates and 4500 factory workers *producing 1 Million pieces everyday*
PDS Growth over the years

Doubled our revenues to $1.2 Bn over past 5 years

All figures in USD Million

CAGR – 15%

<table>
<thead>
<tr>
<th></th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>640</td>
<td>747</td>
<td>827</td>
<td>1.022</td>
<td>1.250</td>
</tr>
</tbody>
</table>

Reasons for Sustainable Growth

- **Supplier Consolidation**: Retailers are more looking at Strategic relationships with reliable and consistent suppliers to meet constant evolving demands
- **Design Excellence**: 150 designers based out of customer location and developing over 10,000 new styles every month backed by reliable sourcing
- **Global Footprint**: Right Product, Right Country, And Right Factory - Design, Sourcing and Manufacturing
- **Strong Ethics & Compliance**: Industry Experts leading 40 member team to maintain Social, Technical and Ethical Compliance standards across 200 active factories
- **Sustainability**: Promoting usage of Sustainable Material in line with Industry Best Practices and investing in Sharing Economy
- **Financial Stability**: Large working capital limits and debt free company

Global, Collaborative, Ethical
A well balanced business model having robust risk management process

1. Credit
Secured Credit Payment terms from Customers
Supplier Advance against existing orders only and not more than 30% of order value

2. Compliance
ZERO tolerance on unauthorised sub-contracting
Adherence to PDS code of conduct (ZTV policy) and customer compliance requirements

3. Currency
Buy & Sell in same currency
Immediate forex cover to be taken

4. Cost
Adopt global best practices to bring savings
Review OPEX continuously and micro-managing the costs

5. Customer Dependency
Revenue dependency on any one customer beyond 25% of overall business is a risk
Ensure pipeline of customers to reduce over dependency

6. Compliant Capacity
Budget turnover only based on compliant capacity
Ensure audit requirements are kept up to date
Have pipeline of factories to support future growth
<table>
<thead>
<tr>
<th></th>
<th>2015-16</th>
<th>2019-20 Est</th>
<th>CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Sales*</td>
<td>640</td>
<td>1,250</td>
<td>15%</td>
</tr>
<tr>
<td>Trade Finance Banking Limits</td>
<td>170</td>
<td>300</td>
<td>15%</td>
</tr>
<tr>
<td>Long term Debt-to-Equity Ratio</td>
<td>0.12</td>
<td>0.13</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Includes Agency/Commission Sales

- Trade Finance Banking Limits of $ 300 Mn and additional facilities of $ 40 Mn being added
- PDS is geared up to grow at 15% CAGR in next 4 years
- Major contributors for PDS’s Stability
  - Focus on financial discipline
  - Uncompromising Social and Ethical Compliance
  - No single default at any instances in last 20 years
  - Working with Consortium of Banks – HSBC, BNP, ICICI
  - Global Auditors EY

PDS has sustained its growth and maintained low long term debt over the years with help of Strong Banking relationships
PDS Manufacturing Business

- 6000 Machine Capacity with 130 production lines spread across Bangladesh, India and Sri Lanka
- Annual in-house production of 36 Million pieces generating additional revenue of $150 Million

PROGRESS APPAREL
- World Class Manufacturing facility with Accord Compliant (95%)
- Formal Tailoring, Dress, School wear
- Next, C&A and Express
- Planned capacity of 2500 Machines

GREEN SMART SHIRTS
- Manufacturing facility with planned capacity of 2000 machines
- Formal & Casual shirts/blouses for Ladies, Men and Kids
- Next, Primark and Bestseller

PARC DESIGN
- Total Planned capacity of 1000 machines
- Specializes in Ladies Softs and Girls-wear
- Bestseller and Matalan

NOR LANKA, TRINCOMALEE
- Manufacturing Facility based out of Sri Lanka with 600 Machines
- Specializes in Knits Kids wear – Body Suits and Sleep Suits
- ASDA George, Next, Primark

Creating A World Class Manufacturing Base
PDS Investing in reshaping the Industry

A bold new future of fashion

Sustainability
Promoting usage of Sustainable Material and investing in Sharing Economy

Technical & Quality Assurance
Strengthening our Technical Compliance by onboarding Industry expertise

Digital
Onboarding digital tools to tap into consumer insights, aim to roll out by June 2019

David Goodwin, Technical Director, PDS

GSD Experts

BRI (Better Cotton Initiative)
PERPETUAL (making a material difference)
REFLAUNT
reGAIN app (RECYCling REWARDED)
GSD (Part of Coats Edale Services)
CLO

A world of boutique style
Sustainability Trends

Recycling and Reuse – Clothes & Yarn

- H&M - 20,649 tonnes of textiles were collected for reuse and recycling through their collecting initiative representing the equivalent of 103 million T-shirts
- Pretty Little Things, Boohoo, Missguided, New Balance and Superdry - Partnering with clothing-recycling app

Sustainable Raw Material – Cotton and other Natural Fiber

- H&M - 100% recycled or sustainably sourced materials for all kind of packaging by 2030
- ASDA George - By 2025 all products will be sourced with a sustainability strategy – Cotton, Viscose, Recycled polyester, Timber & Palm Oil

Sustainable processes for producing Fabrics & Manufacturing

- H&M - Created a roadmap to save the consumption as well as to re-use wastewater, which will be supported by WWF, and the target would be to reduce the water usage by 25% in production and to recycle 15% of wastewater back into production processes by 2022

Eco Friendly Dyeing and Washing

- ASDA George – Implement ZDHC MRSL list
  - All mills to report through the Higg Index by 2020

Industry Practices

- ReGain App - Home Grown Clothing Recycle
- Recycled Polyester supplied to Next (REPREVE) and TESCO

PDS Practices

- BCI - Supplying 100% BCI to Sainsbury (TU) and Tesco, partially for NEXT
- Sustainable Viscose - supply 100% to Tesco
- LEED Certification – Our manufacturing units are LEED certified and 3 other factories in BD
- Producing 100% sustainable Denim from KG Fabriks Ltd
- We are following ZHDC for all supplies
- Optisul and sustainable wash (EIM scoring through Jeonologia) being supplied to NEXT
Sustainability Initiatives for PDS Customers

Reuse and Recycling – Clothes

**reGain**
- Partnering with clothing-recycling app Regain in an effort to divert consumers’ unwanted garments from landfill
- Pretty Little Things, Boohoo, Missguided, New Balance and Superdry
- SAVE COSTS ON MANAGING YOUR OWN TAKE BACK PROGRAM

Reuse and Recycling – Yarn

**REPREVE/ Recycle Poly**
- Recycled Polyester with 30% recycled polyester and 70% normal, offered to GEORGE for swimwear
  - We are currently supplying Recycled Polyester Swim shorts to Tesco
  - Repreve Denim is being supplied to NEXT

**perPETual™**
- Breakthrough and Proprietary recycling technology to transform 100% post consumer waste (PET) plastic bottles into 100% sustainable ester
- Producing most sustainable filament yarns available in 50–1800 denier for a range of applications

**PCW YARN (Pre- & Post-Consumer Waste)**
- This is recycled yarn which is produced from the waste produced from the manufacturing of the textile products and from garments shredded into small pieces.
- Normally 5% post-consumer waste and 50% pre-consumer waste is offered in the products
Sustainability Initiatives for PDS Customers

### Sustainable Raw Material – Cotton

**BCI – Better Cotton Initiative**
- Currently we are supplying 100% BCI to Sainsbury (TU) and Tesco, partially for NEXT
- The majority of the cotton we are buying for other customers is BCI, introduced to George in menswear SS20

**Organic Cotton**
- Supply chain from Yarn to garment factory and laundrette has to be GOTS certified. Dyes and Chemicals used should also be GOTS certified.
- GOTS certification will be provided

### Sustainable Raw Material – other Natural Fiber

**Sustainable Viscose**
- We supply 100% Sustainable Viscose to Tesco and are able to supply certification numbers to verify the wood pulp used is from sustainable forest
- We source from Lenzing Eco Vera, Birla and Formosa
- We also supply Sustainable Modal and Tencel fabrics

**Natural Fibre – Hemp**
- Superior functional qualities & low ecological footprint - it uses around 1/4th water cotton does
- Denims - uniqueness and durability; Linen feel like Shirts
- Sports wear - breathability, anti-bacterial, anti-microbial
Sustainability Initiatives for PDS Customers

Sustainable processes for producing Fabrics & Manufacturing

LEED (Leadership in Energy and Environmental Design)
- Only 14 Certified Factories in Bangladesh
- Progress and Green both are LEED Certified
- Building ensures 25-30 percent less water and energy consumption, and fewer industrial accidents, like fires, causing fewer casualties with special architectural design
- Key partner factories – Laila, Reza, Debonair identified for onboarding

Eco Friendly Dyeing and Washing

OEKO-TEX 100
- All fabrics that we source are Oekotex 100 Certified
- Worldwide independent testing and certification system to assess of possible harmful substances in textiles.

Zero Tolerance of Hazardous Waste
- Currently testing the waste water of our biggest mills and vertical factories for Tesco with the intention of monitoring the results every 6 months and reducing the hazardous chemicals released
- Mills and vertical routes that are already testing include Meghna, ICCL, Ganglong, Jinran and Kohinoor
- We use sustainable washing by using no hazardous chemicals for Denim Bottoms, EIM index score through Jeonologia
- Some of our launderettes use Laser and Ozone treatment to wash the garments instead of conventional washing methods

Green Denim
- KG Fabriks Ltd – Producing 100% Sustainable Denim
- 100% Utilization of raw materials.
- 100% Yarn utilization.
- Micron dyeing process.
- Smart water process.
- Renewable energy from Solar, Wind and Biomass.
- Reusing 100% of spinning packing materials

Innovative Dyes - OPTISUL ® C LIQUID – Archorma for NEXT
- Fulfils International eco-certifications
- Minimal water consumption and no discharge of effluents
- Easy to control dyeing process
- Keeps the original hand feel and look of the fabric
PROGRESS APPARELS (BANGLADESH) LTD.

“Challenge the limits”
PROGRESS APPARELS BANGLADESH LTD

AREA

Production buildings: 320,000 sq ft

People

Number of people employed: 2200 (Will be 5000 by 2021)

PRODUCTION

Production lines: 30 (Will be expanded to 50 by 2021)

Total machines: 1,200 (Will be 2,500 by 2021)

Production type: Woven – Formal Trousers, Smart Trousers, Skirts, Unlined Jackets/Blazers, School Wear

Buyers: Matalan, Next, C&A, Express, Avon

Production capacity (Monthly): 0.5m pcs
CUTTING DEPARTMENT
Parc Designs Pvt. Ltd

“We aim to build a world-class manufacturing business for our customers and partners, through engagement and partnership with, initiatives that are green and sustainable”
AREA

Production buildings: 
32,000 sq ft

Offices/Showroom: 
8,000 sq ft

Total: 
40,000 sq ft

PRODUCTION

Planned Production lines: 
30

Planned Total machines: 
500

Production type: 
Woven – Soft Tops, Soft Bottoms, Dresses, Beach Coverups 
Jersey – Tops, Bottoms, Dresses

Production capacity (Monthly): 
125000 pcs

People

Number of people to be employed: 
800
Factory Pictures
Factory Pictures
Factory Pictures
Showroom Pictures

[Images of a showroom with a long table and chairs, clothing racks, and comfortable seating areas.]
A World Class manufacturing base of PDS Multinational

GREEN SMART SHIRTS LIMITED
A PROPOSED LEED CERTIFIED (PLATINUM) 30-LINE SHIRT MANUFACTURING INDUSTRY
<table>
<thead>
<tr>
<th>Product Category</th>
<th>• Formal &amp; Casual shirts/blouses for men &amp; women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total land area</td>
<td>• 375,000 sft (approx) (8 acres)</td>
</tr>
<tr>
<td>No Of Production Lines</td>
<td>• 30 Identical Line</td>
</tr>
<tr>
<td>Main structure</td>
<td>• Two-storied pre-fab steel structure.</td>
</tr>
<tr>
<td>Monthly Production</td>
<td>• 750,000 pcs</td>
</tr>
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Smart Technology : Powered by Juki, Kannegiesser, Nissin
Nor Lanka Manufacturing Colombo limited
NORLANKA, TRINCOMALEE

**AREA**

Production buildings: 30,000 sq ft

**PRODUCTION**

Production lines: 18

Total machines: 500

Production type: Knits – Kids wear

Production capacity (Monthly): 750,000 pcs

Buyers: ASDA George, Next, Primark, Joe Fresh

**People**

Number of people to be employed: 600
N O R L A N K A Factory
Printing Facility