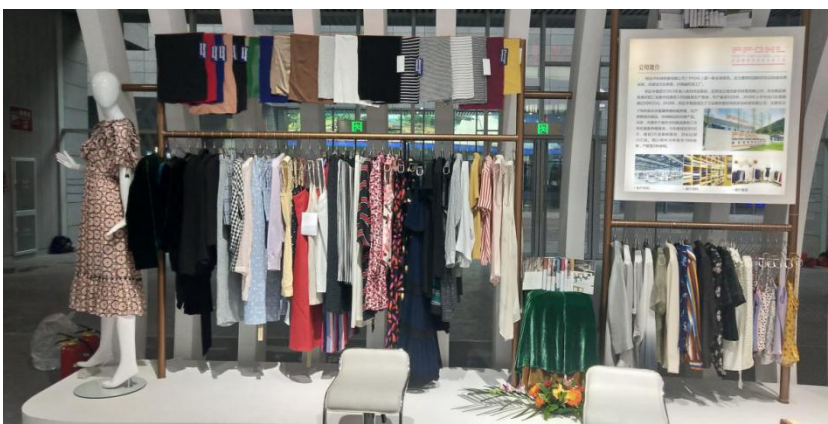


PFGHL: Developing Organic Agriculture and Adhering to Sustainable Clothing Production Debut at the 2018 Western China International Fair

The 17th Western China International Fair, themed on "New Era in China, New Advances in Western China" opened on September 20, 2018 at the International Exhibition and Display Center of the Western China International Expo City in Tianfu New Area, Chengdu. Nanchong Fashion Foundation Manufacturing Ltd. and Sichuan BOMBYX Organic Agricultural Technology Co. Ltd., two of Hong Kong PFGHL Group invested companies at Yilong, Nanchong, have been invited to the event as exhibitors.



As one of the most but important textiles enterprises in Nanchong City, Nanchong Fashion Foundation Manufacturing Ltd. presented its elegant and sustainable garment products to the world, including cotton, hemp, and silk fabrics, some of

which are organic textiles. In addition, BOMBYX Organic Agricultural Technology Co. Ltd. brought in organic mulberry leaves, silkworm cocoons, raw silk and cloth to domestic and foreign exhibitors and customers. BOMBYX fully demonstrated its achievements in developing regenerative organic agriculture, and in pushing the agricultural system of the Nanchong area towards the path of green development.



PFGHL Group follows the concept of sustainable development, vigorously advancing an organic mode of agricultural production, as well as the concept of regenerative agriculture in Yilong County, Nanchong. PFGHL leads the local farmers to cultivate mulberry trees and to raise silkworms in a more

scientific and green way, which also increases their income. BOMBYX uses organic fertilizer in the mulberry fields, it greatly reduce carbon emissions and recover soil vitality, thus protecting the local water and soil environment. At present, BOMBYX has built three organic sericulture breeding bases in Yilong County, Nanchong City, and plans to



invest a further RMB 500 million in the development of 30,000 mu of land for mulberry breeding, with a target of 100,000 mu. It is estimated that more than 7,000 silkworms will be raised next year, producing more than 280 tons of fresh worms. Within 10 years the total area will have grown to 200,000 mu, producing 100,00 tons of raw silk per year.

While promoting the development of regenerative organic agriculture, PFGHL is planning RMB 1 billion of capital injection for the creation of a 185-mu automated reel silk and pure silk printing, dyeing, and weaving project. The reeling and weaving factories, together with the supporting facilities, belong to



the initial phase of the project, and should be operational by the end of 2019. The whitening, dyeing and finishing

factories are expected to be put into production by 2020. The annual output value is estimated to be one billion yuan, once the whole project is completed and put into operation.

PFGHL indicated that it will henceforth focus on the dual-track development of agriculture and industry, introducing the latest scientific research technology, intelligent and automated machinery and

equipment, and constantly improving the entire supply chain of the clothing industry. Eventually, PFGHL will provide one-stop service from mulberry planting, sericulturing, silk reeling, weaving, whitening, printing, dyeing, and garment manufacturing, to the export of final products. In this way, PFGHL will offer high-quality and environmentally friendly textile products to its customers.