



SUNBRIDGE GROUP LIMITED

Sunbridge nearing completion of new HQ and Warehouse in China

- Sunbridge soon to complete construction of new Headquarters and Warehouse in China
- New facilities will enable further growth through greater profile and logistics efficiencies
- Eight story multi-purpose building nearing completion – will also generate rental income
- \$1.5 million of \$2 million total for construction and fit out already expensed in first half

Melbourne & Jinjiang, 22 October 2014: Sunbridge Group Ltd (ASX: SBB) (Sunbridge, the Company) is pleased to update shareholders on the progress of construction to build facilities which will accommodate the Company's new corporate headquarters, a showcase retail store and also larger warehouse to enable more efficient logistics and distribution.

As previously communicated to the market in its Half Yearly Operations Update, Sunbridge commenced construction of these facilities in the first half of 2014. Construction of the new buildings is now well progressed, as shown in the images below.

Sunbridge has already expensed \$1.5 million of a total cost of \$2 million in the first half of the year, with the remainder – to complete construction and fit out – to be expensed in the second half. The multi-purpose eight story office and retail building will also generate rental income for the Company.

The Company has identified a need to double its current warehouse capacity to accommodate the growth in sales and distribution it is currently enjoying for its Pandist and Aguseadan brands in China – the new facilities are part of this strategy. Sunbridge is also establishing an online presence for its brands, further necessitating improved warehousing and logistics.



Left – the eight story building in Jinjiang that will soon house Sunbridge's corporate headquarters and showcase retail store

Above – the adjacent warehouse facilities that are also nearing completion



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Sunbridge's Managing Director Xu Jiayin stated: "We are very pleased with the progress being made on construction of our new corporate headquarters and warehouse, which are now nearing completion."

"The completion of these facilities will be an important milestone for Sunbridge, as it will not only enhance our profile in the region, but also enable us to further grow the Pandist and Agueseadan brands in China with larger warehousing and more efficient logistics and distribution."

Sunbridge sells and distributes its Pandist and Agueseadan men's fashion labels through a network of 420 retail stores in China, of which 24 are owned by the Company. Sunbridge intends to grow the number of self-owned stores to 70 by the end of the year, and looks forward to updating shareholders on its progress in the months to come.

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ABOUT SUNBRIDGE GROUP LIMITED

Sunbridge Group Limited (ASX: SBB) ("Company") is a leading retailer of menswear in the People's Republic of China (PRC). The Group owns and operates the "**PANDIST 邦迪.斯顿**" and "**AGUESEADAN 亚阁.仕丹**" brands of menswear, which are targeted at different age group segments of well-groomed upper middle class gentleman. The Group's menswear products range from formal and business wear to casual and sporting apparel, and are currently sold in over 400 retail outlets across the PRC. As an integrated fashion enterprise, the Group is responsible for the design, sourcing and selling of their products. Founded in 1996, the Business has grown rapidly in recent years. The Group's products are sold across an extensive distribution network, covering 28 provinces, autonomous regions and municipalities in the PRC and Hong Kong.

The Group designs all of its clothing through its in-house design team but it outsources all of its production to Original equipment manufacturer (OEM) contractors which are located in the Guangdong and Wenzhou cities, which are well known apparel production hubs in the PRC. The Group believes that its outsourcing of production to third parties enables it to focus its valuable resources on key design, procurement, warehousing and distribution functions giving the Group a competitive edge. Quality is one of the Group's top priorities, and the Group works closely with its OEM contractors to ensure that all of its apparel and accessories meet the high quality standards demanded by its target market.

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