



**SUNBRIDGE GROUP LIMITED**

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## Operations & Revenue Update

- **Revenue of AUS\$37 million for the five months to 31 May 2014**
- **Driven by strong sales of both Pandist and Agueseadan brands**
- **Significant increase in number of company-owned stores from 5 to 24**
- **Sunbridge has solid cash reserves of AUD \$31 million to fund future growth**

**Melbourne & Jinjiang:** Sunbridge Group Limited (ASX: SBB) (Sunbridge), a leading marketer and distributor of casual menswear in China, today reports strong sales performance from its two brands – Pandist and Agueseadan – after continued investment in product development and marketing.

Revenue for the five months to 31 May 2014 was AUD \$37 million, and Sunbridge achieved a gross profit margin of 33% over the same period. Cash reserves remain strong at AUD \$31 million.

Sunbridge has continued to invest in its retail operations with 19 new company-owned stores added, up from five company-owned stores as at 31 December 2013. The company took the decision to acquire these stores from some of its distributors, and with further investment, Sunbridge is confident it can strengthen profit margins.

Further store acquisitions and new store openings are being pursued with Sunbridge intent on expanding its current 400-store network. The Company is also assessing distribution opportunities in the Australian market.

The company has also been active in building its brands' presence through advertising, marketing and sponsorship initiatives in China. In early June, the Pandist brand was an anchor sponsor of the 2014 AVC Beach Volleyball Championship held in Jinjiang city. Pandist was the designated menswear supplier for the competition which resulted in increased visibility for the brand across a number of mediums.

Sunbridge's Managing Director Xu Jia Yin commented: "Sunbridge is performing very well with both the Pandist and Agueseadan brands experiencing solid sales in China. Recognition of the brands among Chinese consumers is growing, and we are actively rolling out new sales and marketing initiatives so our brands remain strong and visible.

"We continue to invest in our retail presence and now have 25 company-owned stores which we expect will further improve our already solid margins. Building a stronger retail presence is a key priority for the company, as is expanding our distribution networks.

"With cash at bank of \$31 million and a solid revenue base, Sunbridge is well placed to continue delivering profitable growth and generate acceptable returns for our shareholders. We look forward to updating shareholders on our first half financial performance in the coming months and will endeavor to report on further operational achievements in the interim."

### **Release of shares from escrow**

On 27 May 190,800,000 fully paid ordinary shares in Sunbridge were released from escrow. Sunbridge's Board understands that a number of holders of this stock have taken the decision to sell their holdings on-market which is unfortunately having a negative impact on the price of Sunbridge shares. The Board is confident that this is a short term issue and is no way a reflection of the financial or operational performance of the company.

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