



Sunbridge offers Chinese clothing float

IPO watch

Jake Mitchell

Sunbridge Group is offering Australian investors a stake in a Chinese apparel manufacturer and distributor whose products are sold in over 400 stores across China and Hong Kong.

However, the business and its clothes brands are likely to be foreign to most Australians. Sunbridge is the holding company of brands Pandist and Agueseadan, which focus on casual and business apparel for middle-class, white-collar men.

The company is hoping to raise up to \$10 million at 20¢ a share, with a minimum subscription of \$3 million.

The offering is open until October 10 and Sunbridge plans to commence trading on the ASX on October 22.

Prospective investors should be aware that under the minimum subscription, new shareholders will hold just 3.2 per cent of the company.

This rises to 10 per cent under the maximum subscription.

The offer is not underwritten.

The chief executive of Sunbridge, **Jia Yin Xu**, founded the brands Pandist and Agueseadan. Mr Xu has 25 years' experience in sales, manufacturing and management in the apparel industry in China. He is a citizen of the Philippines.

Assuming the offer is fully subscribed, Mr Xu would hold about 52 per cent of Sunbridge.

More recognisable to Australian investors is the company's non-executive director **Andrew Plympton**.

Mr Plympton was president of St Kilda Australian Rules Football Club

from 1993 to 2000. He is a director of ASX-listed companies **NewSat**, **Entellect** and **Bluestone**.

Shares in satellite communication services group New Sat are down by 38 per cent to 34.5¢ over the past year.

Chairman of the Sunbridge board is **Wayne Reid**, the former tennis player and president of the Melbourne Australian Football Club.

Mr Reid has served on boards of companies across a range of industries including insurance, retail, stockbroking and construction.

Novas Capital is the sponsoring broker on the float and will pocket \$60,000 up front, plus 3 per cent of the total funds raised for the first \$3 million and 3.5 per cent of funds raised thereafter. Novas is also the lead manager on fellow Chinese ASX hopeful 99Wuxian.

A key selling point for Sunbridge is its intention to pay out 25 per cent of net profits for the year ended December 31 2013 in unfranked dividends, equating to a yield of 3.6 per cent on the IPO share price.

The company reported a net profit of \$13.3 million in 2012 on sales of \$63.7 million.



Pandist and Aguseadan brands focus on casual and business apparel for middle-class, white-collar men. PHOTO: BLOOMBERG