



SUNBRIDGE GROUP LIMITED

Media Release
20 August 2013

SUNBRIDGE LAUNCHES PROSPECTUS TO RAISE UP TO \$10 MILLION

- **Two upmarket and highly successful menswear fashion brands in the People's Republic of China**
- **High profit margin business in the fast growing China retail consumer market**
- **Expected dividend payment of 25% NPAT on 31st December 2013**
- **Two leading and internationally respected Australian Directors on the board**

Sunbridge Group Limited ('Sunbridge') is pleased to announce the launch of its prospectus to raise up to \$10 million.

The prospectus offers 50,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$10,000,000 with a minimum share subscription of \$3,000,000 representing the issuing of 15,000,000 shares at \$0.20 cents.

In commenting on the prospectus launch, Wayne Reid O.B.E, Chairman of Sunbridge Group Limited, said:

"We are delighted to be working towards the completion of the IPO process and the imminent listing of Sunbridge Group Limited on the Australian Securities Exchange. The launch process brings about many opportunities for the Sunbridge Group to continue our expansion in China and further target the fast growing Chinese urban population with our upmarket branded menswear range."

Sunbridge has experienced a steady growth in revenue, gross margin and profit, based on their 2012 sales exceeding A\$65m, resulting in a Net Profit After Tax (NPAT) of A\$13m. This success can be attributed to the growth of both the apparel market and the annual disposable income of urban households in China. China's GDP in 2012 totalled RMB51,932.2 billion (A\$934 billion), achieving a 7.8% real GDP growth rate over the previous year. Per capita annual disposable income of urban households in China has maintained sustainable growth of nearly 10% since 2005. This rapid economic growth, as well as increasing material and cultural needs, in China have all contributed to driving the apparel industry. In 2012, the menswear market in China achieved a retail sales value of RMB382.8 billion (A\$68.85 billion), and it is still in the developing stages. With increasing attention to fashion and recognition of emerging menswear brands, this market expects to see a steady compound annual growth rate of over 10% in the future.

In commenting on the continued growth expected in the China market, Wayne Reid O.B.E, Chairman of Sunbridge Group Limited, said:

"We are targeting China's rapidly growing middle and upper-middle class male consumers aged 25-40 years – the age group with the highest disposable income in China, and hope to continue to maximise our sales and distribution of our leading branded menswear products."

Sunbridge Group Limited's two main upmarket and highly successful menswear labels are Pandist and Agueseadan. The Company sells the vast majority of its products on a wholesale basis to distributors, who subsequently sell the products to end customers through over 400 retail shops and outlets across 28 provinces in China. The largest number of outlets are located in coastal regions, such as Jiangsu, Guangdong and Fujian provinces and Xinjiang. The use of this wholesale distribution method limits the capital expenditure required, which also allows the Company to focus on the all important brand building.

Sunbridge Group Limited

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The founder and major shareholder of Sunbridge, Mr Xu has over 25 years experience in the China fashion retail industry. As Managing Director, Mr Xu has been responsible for formulating the strategic direction and overall management of the company. He has also been responsible for assembling one of the most highly regarded and prestigious boards for a China based company seeking to list on the ASX. He has also been acknowledged by his peers with a range of individual awards and has been a council member for a number of local and provisional associations and leads a highly professional and experienced management team in China.

In commenting on the appointment of Wayne Reid O.B.E as Chairman and Andrew Plympton as a Director of Sunbridge Group Limited, Mr Xu, Managing Director said:

“Sunbridge is delighted to have appointed two of the most experienced Directors in Australia. Both Directors have played key roles on the local and international stage, representing many listed and unlisted companies and organisations at board level in the fields of retail, communications, financial services and sport.”

In commenting on the prospectus launch, Andrew Plympton, Independent Non-Executive Director of Sunbridge Group Limited, said:

“Sunbridge is committed to listing on the ASX as it offers a sophisticated capital market, an internationally recognised and sustainable corporate governance environment, and a suitable platform for the Group’s expansion.”

On successful completion of the prospectus raising to the full subscription level, in terms of issued capital, there will be a total of 500 million shares on issue, taking the Company’s market capitalisation to approximately \$100 million.

BlueMount Capital is the Corporate Advisers to Sunbridge Group Limited with Novus Capital acting as the sponsoring broker to the issue.



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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.

Key Company Milestones

1996: Company was founded by Mr Xu Jiayin, Managing Director

2002: Company was awarded “Excellent Enterprise – Jinjiang City”

2003 – 2005: Pandist brand consecutively awarded “Fujian Famous Brand” and “Fujian Famous Trademarks”

2006: Company named “Top Enterprise for New Brand” by Quanzhou City Government – Named “Top 100 Popular Youth Brand in Quanzhou City”

2007 – 2011: Consecutively received “AA Credit Grade” status in Quanzhou City

2008: Awarded “Country Top Medium-sized Enterprise” by Fujian Statistics Bureau

2009 – 2011: Consecutively named “Good Credit Enterprise” by Quanzhou City Trade and Industry Bureau

2011: Named “High Credit Standing Enterprise” status by Quanzhou City Government and Fujian Administration of Industry Commerce Bureau

2013: Company named “Top 10 Influential China Fashion Enterprise”

For more information please visit: www.sunbridge.com.au

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