



## **CEO's address to shareholders at the 2017 Annual General Meeting.**

### **English translation of CEO's address to shareholders:**

Good morning, ladies and gentlemen.

Welcome to Sunbridge Group Limited's 2017 Annual General Meeting. On behalf of the Board of Directors and the management I would like to thank our shareholders and guests for your attendance.

This is the 4th year since Sunbridge Group Limited has been listed on the Australian Securities Exchange. During the past 4 years, China's economy went through major changes and upgrade, from boom to stabilization. Similarly, Sunbridge's business mirrored China's economic changes.

2016 has been a difficult year for Sunbridge as the Group went through a series of changes, including reduction of direct stores from 67 to 56, and closure of 2 franchised distributors. These resulted in a drop of the Group's revenue by 20% to A\$57.2 million. Our profit before tax dropped 85.2% to A\$855 thousand while profit after tax dropped 88.1% to A\$462 thousand. The Group continues to maintain an ample cash reserve of A\$28.9million.

In addition, Sunbridge continues to perform well in its branding strategy, with its brand "Pandist" being recognized by "Asia Brands Awards" as "2016 Asia top 500 most influential brand" and "Asia most investable apparel brand".

Sunbridge has during the year received several comments from investors. The directors listen and understand shareholders' concerns, and is giving their best for the Group.

The Group will continue to focus on expanding the distribution networks in China through the opening of direct stores and sourcing of franchise arrangements. The Group will also explore business opportunities in Australia through potential mergers and acquisitions, and/or through business partnerships. The Group is also actively developing global trade partnerships, extending its product reach into international markets.

Lastly, I would like to thank all shareholders for your trust and support of the Group, to thank all the employees of the Group for your hard work, and the board of directors for the guidance and supervision on the Group's operations. We will continue to work hard for the Group in improving shareholders' returns and look forward to working together in 2017.

Thank you.