



SUNBRIDGE GROUP LIMITED

**ASX:SBB
FY 2014 Results &
Company Presentation**



19 May 2015, Sydney
21 May 2015, Melbourne

Company Snapshot



SUNBRIDGE GROUP LIMITED

Market Capitalisation	
Share Price (as at 31 March)	\$0.047
Shares on Issue	471.7M
Market Cap (as at 31 March)	\$22.17M
Cash and cash equivalents	\$29.3M

Top 5 Shareholders	
Jiayin Xu	54.94%
Citicorp Nominees Pty Ltd	13.53%
Finetrade International Limited	1.7%
Commsec Nominees Limited	1.05%
Picton Cove Pty Ltd	0.84%



Board of Directors

Jiayin Xu
Managing Director

Wayne Reid
Non-Executive
Chairman

Ting Jiang
Non-Executive
Director

Dr. Qiangnan Liu
Non-Executive
Director

Benny Yubin Qiu
Non-Executive
Director

Chow Yee Koh
Company Secretary

Highlights



SUNBRIDGE GROUP LIMITED

FY2014 revenue of \$84.4 million up 6% on PCP

First full year of trading after successful ASX listing in 2013

Strong cash and cash equivalents of \$29.3 million

Company owned stores now 71 – up from just 5 in 2013

New Company HQ, showcase store and warehouse operational

Major awards for CEO and Pandist brand at Asia Brand Forum Awards



Pandist 2014 Collection

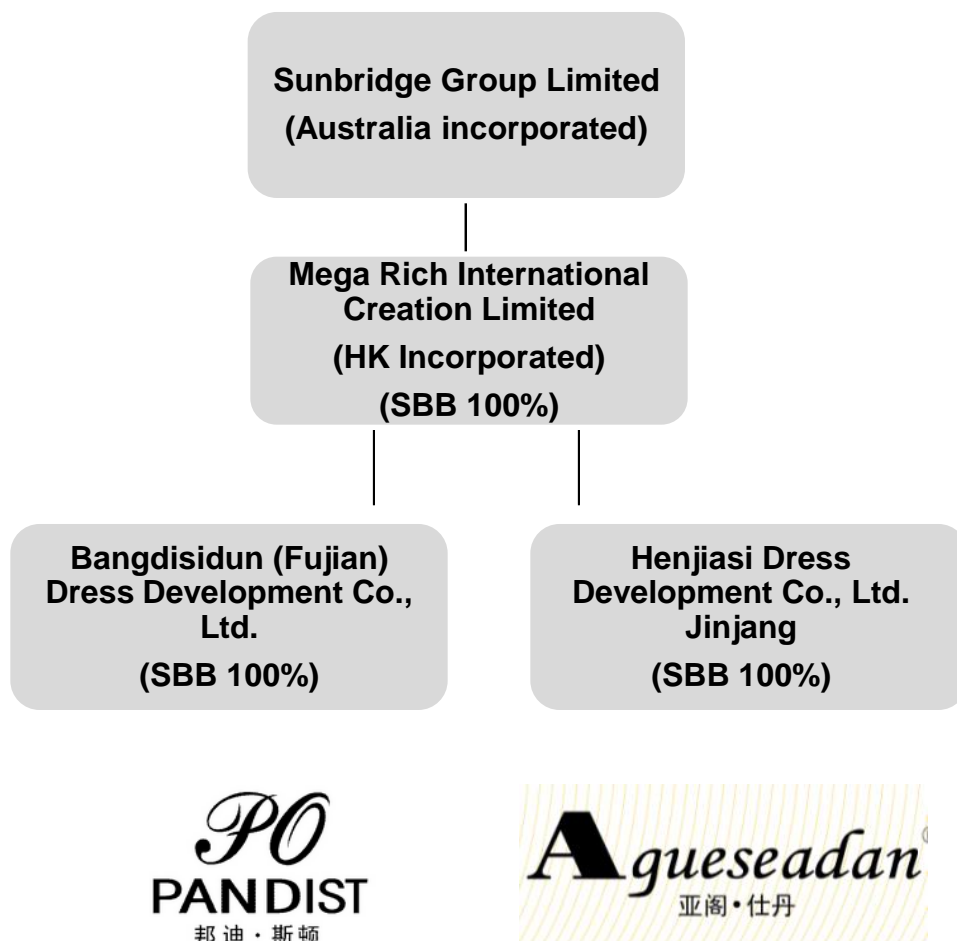
Company Overview



SUNBRIDGE GROUP LIMITED

- **Sunbridge (ASX:SBB)** designs, markets and distributes high-quality business and casual menswear – commenced trading in 1996
- Focus on two brands:
 - **Pandist:** 25 – 50 age group
 - **Agueseadan:** 20 – 40 age group
- Introduces new designs for each season to cater to changing trends
- Extensive distribution network:
 - Over 420 authorised retail stores
 - 71 company-owned stores
- Products include suits, jackets, shirts, trousers, sweaters and accessories, broadly divided into business formal, business casual and fashion casual

Corporate Structure



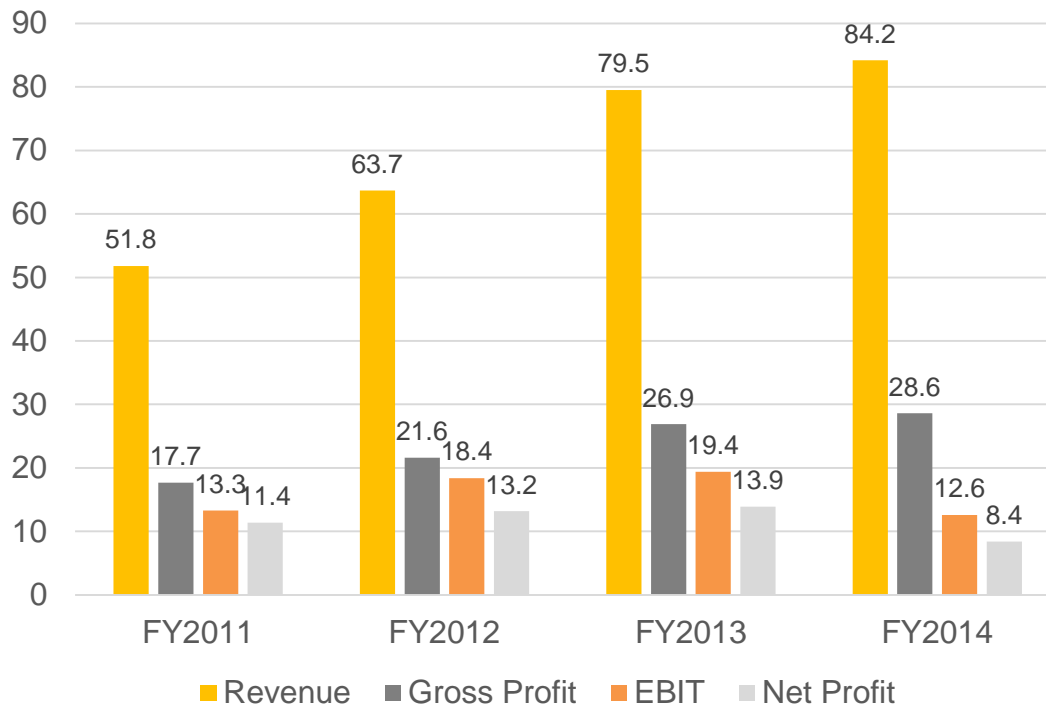
FY2014 results commentary

- Group revenue (excluding interest) up 6% to \$84.2 million vs \$79.5 million in PCP
- Group NPBT of \$11.7 million impacted by one off investment costs (\$18.9 million in PCP)
- Grew company-owned store network from 5 to 71 with \$4.18 million investment
- Company-owned stores generated total revenues of \$6.75 million – up from \$1.5 million in FY2013
- Invested \$6.3 million in renovations and upgrades of franchise owned stores
- Group NPAT of \$8.4 million – 40% down on PCP (\$13.9 million) due to one of investments (as above)
- Underlying profit strong at \$A15.37 million – increase on PCP (\$A13.9 million)
- FX translation gain impacting on comprehensive income of \$4.2 million
- Balance sheet remains solid to fund growth – \$29.3 million cash on hand

Financial Performance

A\$ mil

Financial Performance



- Revenue growth in competitive market helped by:
 - increase in number of self-owned stores
 - investment in franchise store upgrades/renovations
- Gross profit solid due to:
 - healthy margins
 - ongoing focus on lowering cost base
- Net profit in FY2014 impacted by one off investments

Consolidated Balance Sheet



SUNBRIDGE GROUP LIMITED



Pandist 2014 Collection

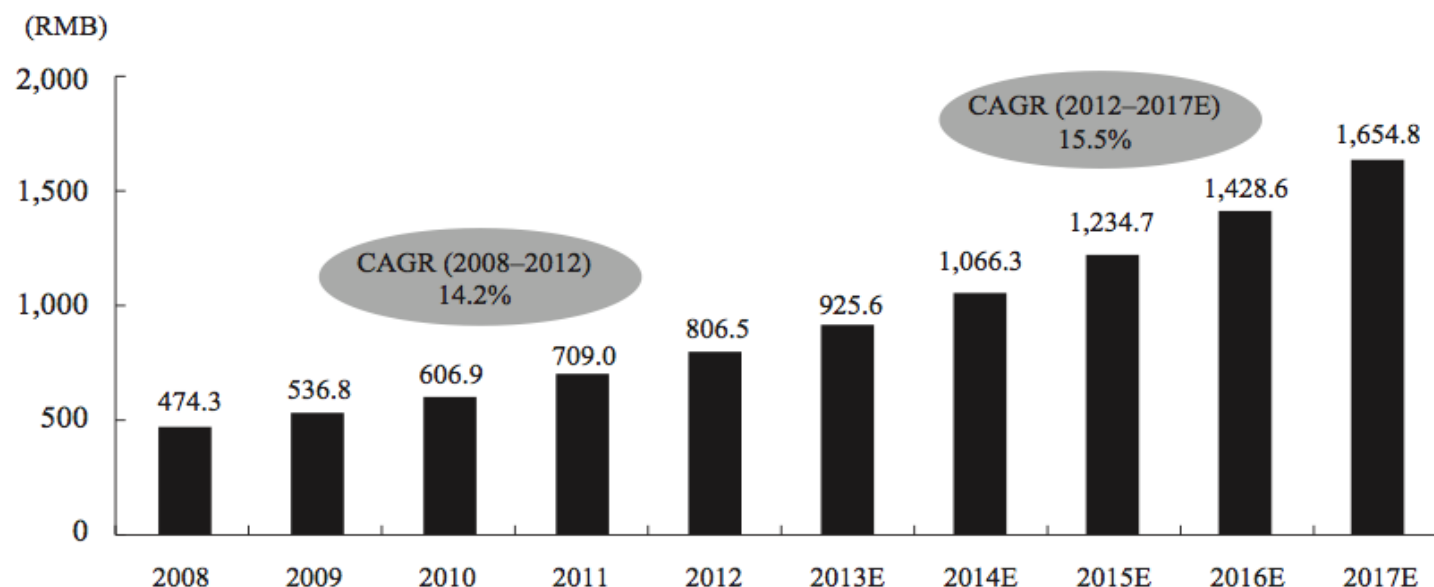
As at December 31 2014

	2014	2013
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	29,320,103	27,856,579
Trade and other receivables	16,159,086	18,689,883
Security deposits to suppliers	2,185,085	1,817,514
Inventories	5,392,135	4,537,344
TOTAL CURRENT ASSETS	53,056,409	52,901,320
NON-CURRENT ASSETS		
Property, plant and equipment	6,439,403	4,440,842
Intangible assets	4,115,326	385,841
Deferred tax assets	1,731,340	
TOTAL NON-CURRENT ASSETS	12,286,069	4,826,683
TOTAL ASSETS	65,342,478	57,728,003
CURRENT LIABILITIES		
Trade and other payables	5,940,314	3,864,836
Financial liabilities	2,891,300	9,150,495
Current tax liabilities	1,090,267	1,587,678
TOTAL CURRENT LIABILITIES	9,921,881	14,603,009
TOTAL LIABILITIES	9,921,881	14,603,009
NET ASSETS	55,420,597	43,124,994
EQUITY		
Issued capital	12,495,825	12,495,825
Foreign exchange translation reserve	7,150,083	2,957,819
Reserves	6,771,262	6,771,262
Retained earnings	29,003,427	20,900,088
TOTAL EQUITY	55,420,597	43,124,994

Growth of the PRC Menswear Market

- Per capita consumption of menswear in the PRC increased to RMB806.5 in 2012 from RMB474.3 in 2008, representing a CAGR of 14.2%
- China's per capita menswear consumption is expected to reach RMB1,654.8 in 2017, representing an estimated CAGR of 15.5% from 2012 to 2017

Per Capita Consumption of Menswear in China*, 2008–2017E



Note: * The figure refers to the per capita consumption on menswear of male aged over 15.

Source: Frost & Sullivan

Investment in Offices & Warehousing to drive growth

- 8-storey Company headquarters and warehouse now completed – total build cost of \$2 million
- Building is multi-purpose and income generating – also includes showcase retail store
- Warehousing facilities now doubled to facilitate store expansion and online presence
- New warehouse and streamlined logistics will deliver significant cost savings



Showcase Centre



The Company's new HQ and warehouse

Pandist 2014 Collection



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Awards for CEO Mr Jiayin Xu & Pandist

Sunbridge and CEO recognised as industry leaders with multiple awards at Asian Brand Forum:

- Mr Jiayin Xu honoured as one of China's Top 10 most influential brand leaders
- Pandist recognised as Top 10 Brand for growth potential
- Pandist named as one of China's Top 500 most influential brands
- Pandist one of a select few named as brand with most international vision

Continues strong tradition of peer recognition for Sunbridge and both the Pandist & Agueseadan brands, helping to maintain visibility and traction in a competitive market



Sunbridge CEO Mr Jiayin Xu (third from right at top, fourth from right above) receiving his own award and one of a number for Pandist at the Asia Brand Forum Awards held in Shenzhen, November 2014

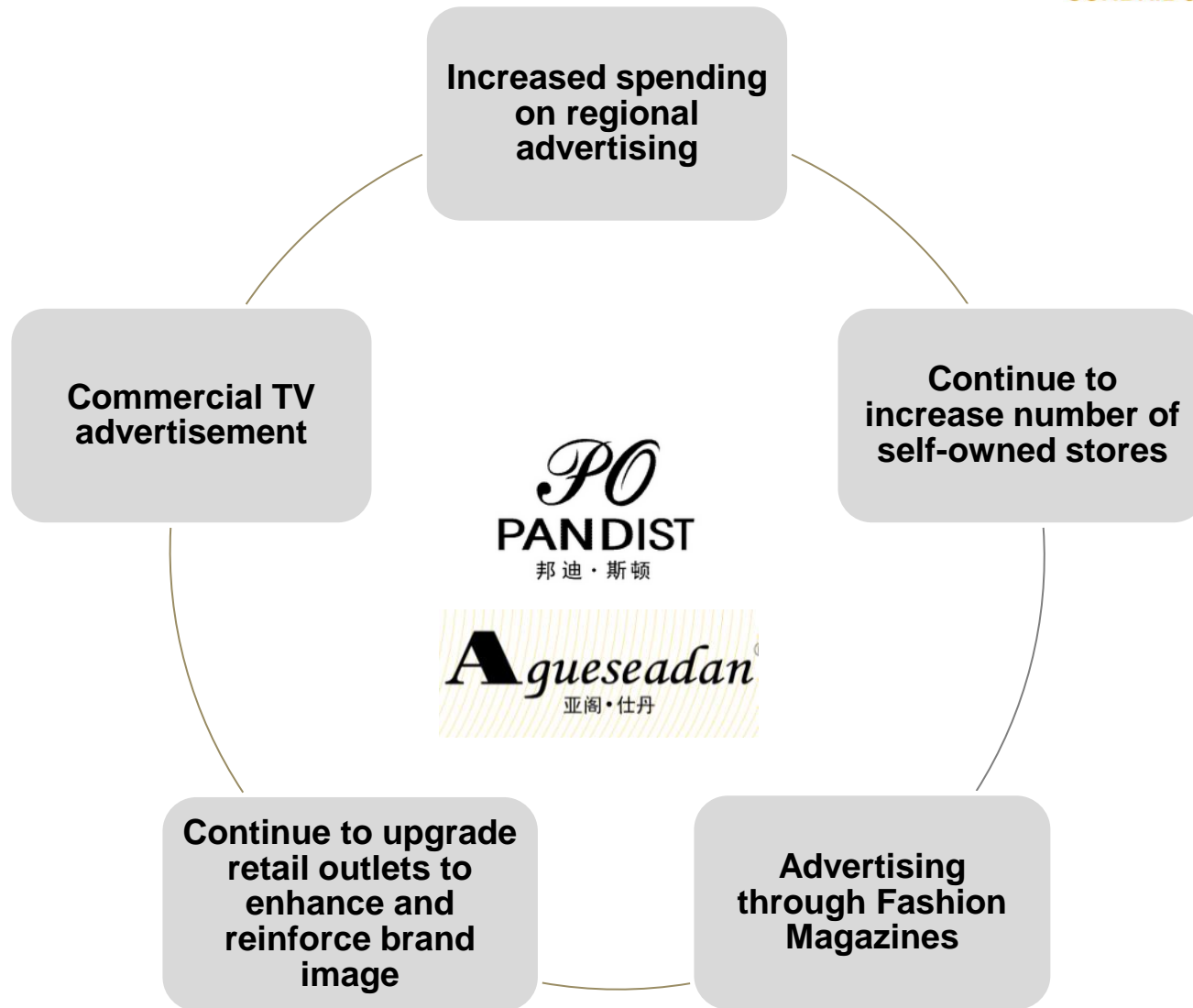
Aguesadan Products



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Continued investment in marketing & branding



Strategies



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Our work in 2015



- Continue to increase advertising and promotion activities to build-up and raise brand image
- Tie up with department store chain operators (e.g. Vans and SM) and large wholesale distributors to increase distribution network, visibility and sales
- Increase number of self-operated retail outlets (either through new set-up or acquire from existing retailers) to have better control over product inventory, pricing, brand image and service standards
- Continue to invest in franchise store upgrades to ensure premium shopping experience
- Establish online retail platform
- Escalate R&D efforts and increase proportion of innovative products
- Explore M&A or business opportunities in Australia

Outlook & Growth Strategy

- Strong balance sheet with cash on hand of over \$29 million to drive growth
- SBB will continue to strategically grow own store network in order to:
 - boost gross margins
 - improve brand visibility
 - retain greater control of sales and promotions
 - achieve critical mass in a large and competitive market
- Ongoing program of renovations & upgrades to more of 352 franchise stores will:
 - maintain and grow sales & revenue
 - further enhance brands
 - deliver premium retail experience for consumers
- Continued focus on cost control and efficiencies to maintain profitability

Outlook & Growth Strategy (cont'd)

- Examine potential acquisition and/or M&A opportunities:
 - use financial flexibility to achieve further growth and scale
 - improve and broaden geographic reach
 - build on success with acquisitions that offer synergies and are accretive
- Explore opportunities for sales & distribution in Australia:
 - utilise networks to identify synergies and opportunities
 - offset seasonal effects on trading
- Develop significant online presence to:
 - leverage the growing popularity of this retail channel in China
 - further boost gross margins by growing direct sales

Sunbridge Group Ltd is well positioned for further growth in FY2015 and beyond

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Contact Details:

ASX:SBB

Registered Office:

Level 31, 120 Collins Street,
Melbourne, Victoria 3000

Head Office:

No 11 Longhu, Shaohui Industrial Area, Jinjiang City, Fujian Province, PRC

Website:

www.sunbridge.com.au

Chow Yee Koh

Sunbridge Company Secretary

M: +61 (0) 435 150 886

E: koh.chowyee@sunbridge.com.au

Adam Jarvis

Account Director, Six Degrees Investor Relations

M: +61 (0) 424 297 736

E: adam.jarvis@sdir.com.au