



Sunbridge announces 2015 Half-Year Result

- Strong balance sheet with cash and cash equivalents at \$29.8 million
- Group revenue for period of \$36.8 million 16% decrease on HY 2014 (\$43.8 million)
- Margins steady at 35% – slight increase on previous corresponding period (33%)
- NPAT of \$2.02 million for Half Year 70% down on previous period (\$6.75 million)
- Results impacted by investment in store renovations and self-owned stores
- Self-owned stores now number 72 – combined revenues of \$9.1 million for period

Melbourne & Jinjiang, 31 August 2015: Sunbridge Group Ltd (ASX: SBB) (Sunbridge, the Company) has today released its Appendix 4D and Half Year Financial Report for the period ended 30 June 2015. It should be noted that Sunbridge reports on a calendar year basis.

Sunbridge's revenue dropped by 16% to \$36.8million for the six months to 30 June 2015 as compared to the \$43.8million revenue recorded in six months to 30 June 2014. The Company realised a statutory profit of \$2.02 million for the half year, which represents a 70% decrease on the previous corresponding period (\$6.75 million). This is due to the challenging market environment of China and the marco-economic factors currently affecting China. However, the Company's balance sheet remains strong, with cash and cash equivalents of \$29.8 million.

Group NPBT \$2.83 million for the half year was \$2.83 million, representing a 70% decrease on the previous half year's NPBT result of \$9.34 million.

It should be noted that the Group's profit results for the period have been significantly impacted due to increased operating expenses relating to rapid growth in the number of self-owned stores (\$2.34 million), the amortisation of the large investment made in franchise store renovations (\$2.5 million), an office building depreciation cost (\$75K), and an increase in bonuses paid to staff (\$77K) along with direct staff costs (\$87K).

Sunbridge's self-owned stores generated total revenues of \$9.1 million for Half Year, a considerable increase on the 2014 Half Year figure of \$1.8, and a direct reflection of the increase in the number of these stores from 24 in the previous comparative period to 72 in 2015.

This increase in the number of self-owned stores has also allowed Sunbridge to maintain a high profile for its brands in a competitive market place, and also to preserve its margins, which at 35% showed a slight increase on the previous comparative period (33%).

Sunbridge's Managing Director Xu Jia Yin commented: "While these half year results are disappointing, they are a direct result of the somewhat challenging conditions we are currently experiencing in China, which is why it is important that we maintain a solid balance sheet and strong cash reserves."

"Despite these results, it is encouraging that we have managed to increase our margins and that our 72 self-owned stores are now generating strong revenues. It is important that we maintain our strategy of looking to expand the number of self-owned stores in order to increase the visibility of our brands and continue to grow our market share."

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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.