Sunbridge Group Limited and Its Controlled Entities
ABN 40 163 886 020
Annual Report for the year ended 31 December 2015

Sunbridge Group Limited Annual Report

For the year ended 31 December 2015

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Directors' Report

The Directors of Sunbridge Group Limited ('Sunbridge') present their Report together with the financial statements of the consolidated entity, being Sunbridge ('the Company') and its Controlled Entities ('the Group') for the year ended 31 December 2015.

Director details

The following persons were Directors of Sunbridge during or since the end of the financial year.

Mr Jia Yin Xu
MBA
Managing Director and CEO
Director since May 2013

Mr Xu founded the Group' operations in 1996 and he is responsible for formulating the overall operation, strategic planning, business development and corporate management of the Group, including devising the annual plan and financial budget of the Group.

Other current Directorships:
None

Previous Directorships (last 3 years):
None

Interests in shares:
240,400,000 shares

Interest in options:
None

Ms Wayne V Reid
O.B.E.
Independent Non-Executive Chairman
Member of the Audit and Risk Committee
Director since July 2013

Mr Reid has served on a government advisory board, was President of Tennis Australia and the Melbourne Football Club and is a Member of Australian Sporting Hall of Fame. He has been a Director on over 30 company boards of various companies across several continents in diverse and wide raging industries, including insurance, pharmaceutical, retail, mining, stock-broking, construction, property development and hospitality.

Previous Directorships (last 3 years):
Victor Group Holdings Limited (ASX: VIG)

Interests in shares:
None

Interest in options:
None

Mr Ting Jiang
MB, MAcc, MFin
Independent Non-Executive Director
Chairman of Audit and Risk Committee
Member of Remuneration and Nomination Committee
Appointed as director on May 2013, resigned on 27 January 2016

Mr Jiang is a qualified Certified Practising Accountant in Australia and has broad experience in corporate finance and corporate advisory and legal practice, and has completed a range of capital market transactions in both Australia and China.

Other current Directorships:
Xiaoxiao Education Limited (ASX: XXL)
China Herbal Medicine Limited (NSX: CHI)

Previous Directorships (last 3 years):
Premiere Eastern Energy Limited (ASX: PEZ)

Interests in shares:
None

Interest in options:
None

Mr Benny Yubin Qiu

Independent Non-Executive Director
Member of Remuneration and Nomination Committee

Appointed as director on 30 December 2014

Mr Benny Qiu has over 30 years of experience in corporate finance, business management and international business across different industries, including manufacturing, real estate services, investment and financial services.

Other Current Directorships
None

Previous Directorships (last 3 years):
None

Interests in shares:
None

Interest in options:
None

Prof. Qiang An Liu
Ph D
Independent Non-Executive Director
Chairman of Remuneration and Nomination Committee

Member of Audit and Risk Committee
Director since July 2013

Prof. Liu holds a Doctorate in Accountancy and post doctorate research in Peking University. Prof. Liu is presently the charging professor in the entrepreneur development program in Xiamen University. Prof. Liu possesses extensive practical experience in corporate financial management, enterprise management information system, internal controls and capital operations.

Other current Directorships:
None

Previous Directorships (last 3 years):
None

Interests in shares:
None

Interest in options:
None

Company secretary

Mr Chow Yee Koh has previously held senior positions with a number of professional accounting firms and has a degree in Accounting and Finance.

Principal activities

During the year, the principal activities of entities within the Group were:

- Wholesale of clothing apparel to franchised distributors; and
- Retail of clothing apparel to company owned stores.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

The Sunbridge Group realised an after tax profit of $3.9 million for the 2015 financial year which represents a decrease of 54% from the previous year. The Company showed a foreign exchange gain on translation of foreign operation of $3.6 million. The Company's cash and cash equivalents reserves remain strong at $30.5 million.

Below is a Summarised operation review of 2015:

- Group revenue for the year (excluding interest received) was down by 15% to $ 71.5 million compared to 2014 revenue of $ 84.2 million. Revenue in RMB was down by 28%, the decrease in consolidated AUD revenue was offset by appreciation of RMB against AUD during the period ;

- Sunbridge's direct stores generated total revenues of $18.25 million, a significant increase from 2014's revenues of $6.75 million through a full year operation. The number of direct stores as at year end is 67.

- Group NPBT of $5.8 million represents a decrease of 51% comparing to the prior year NPBT of $11.7 million.

- 2015 NPAT of $3.9 million; a decrease of 54% comparing to the prior year Group NPAT of $8.4 million.

- Expenses include assistance provided to the franchisees in renovating and upgrading stores amounting to $2.7 million.

- Foreign exchange translation gain impacting on comprehensive income of $3.6 million;

- Continuing strong cash reserves of $30.5 million.

Sunbridge continues to maintain its market share despite strong competitive pressures. Although Sunbridge's sales revenues decreased by 15% over the prior year, the gross margin holding is steady at 35%.

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" and "AGUESEADAN" 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 382 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 Guangdong and Zhejiang provinces 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.

Likely development, business strategies and prospects

Due to the current market slowdown in China, the company will be using this opportunity to concentrate on consolidating the company's men's wear main products, whilst at same time diversifying to offer other products. Distributors and sales outlets are still the company's top priority, with the need to maintain good service, expand sales and improve profit margins. The following are some developments that the company is planning this year:

1. Development of foreign trade business by working with import/export companies on selling men's wear products to overseas market;

2. Strengthening of online shops, expand online sales and improve brand awareness online;

3. Research and develop more men's wear products.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the present entity during the financial year.

Dividends

The Directors have resolved not to pay dividends due to the decrease of net profit after tax.

Events arising since the end of the reporting period

No matters or circumstances that have arisen since the end of the year which significantly affected or may significantly affect the operations of the Consolidated Group, the results of the operations, or the state of affairs of the Consolidated Group in future financial years.

Directors' Meetings

The number of Directors Meetings (including meetings of Committees of Directors) held during the year, and the number of meetings attended by each Director is as follows:

Directors' Name	Board Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
	A	B	A	B	A	B
Jia Yin Xu	4	4	-	-	-	-
Wayne V Reid	4	4	2	2	-	-
Ting Jiang	4	4	2	2	1	1
Qiang An Liu	4	3	2	2	1	1
Benny Qiu	4	4	-	-	1	1

- **Column A** is the number of meetings the Director was entitled to attend
- **Column B** is the number of meetings the Director attended.

Shares options

There are no options issued by Sunbridge.

Remuneration Report (audited)

The Directors of Sunbridge Group Limited and its controlled entities ('the Group') present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*. The Remuneration Report is set out under the following main headings:

a Principles used to determine the nature and amount of remuneration;

b Details of remuneration;

c Director shareholdings;

d Service agreements;

e Share-based remuneration; and

f Transaction with Key Management Personnel (KMP) and related parties.

a Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders;
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

Sunbridge has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Nomination and Remuneration Committee which operates in accordance with its Charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive Team.

The Committee may engage independent remuneration consultants to provide any necessary information to assist in the discharge of its responsibilities as required. The remuneration structure that has been adopted by the Group consists of the following components:

- Fixed remuneration being annual salary

The Nomination and Remuneration Committee assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive Team.

Performance based remuneration

The Group pays out cash bonuses annually at the director's discretion to all staff, including executive Key Management Personnel, employed at Bangdisidun (Fujian) Fashion Development G Co. Ltd and Hengjiasi Fashion Development Co Ltd the Group's operating subsidiary in China. The payment is not contractual and is dependent on Group performance and KPI assessment.

Use of Remuneration Consultants

No remuneration consultant has been engaged by the Company.

Voting and comments made at the Company's last Annual General Meeting

The Group received 77% of 'yes' votes on its Remuneration Report for the financial year ending 31 December 2014. The Group received no specific feedback on its Remuneration Report at the Annual General Meeting.

b Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel ('KMP') of Sunbridge are shown in the table below:

Director and other Key Management Personnel Remuneration

		Short Term Employee Benefits			Post-Employment Benefits	Long-Term Benefits	Termination Benefits	Share-Based Payments		
Employee	**Year**	**Cash Salary & Fees ($)**	**Cash Bonus ($)**	**Non-Monetary Benefits ($)**	**Superannuation ($)**	**Long Service Leave ($)**	**Termination Payments ($)**	**Options ($)**	**Total ($)**	**Performance Based Percentage of Remuneration ($)**
Executive Directors										
Jia Yin Xu - Managing Director and CEO (Appointed 22 May 2013)	2015	88,213	8,121	-	3,744	-	-	-	100,078	8%
	2014	364,080	9,834	-	1,192	-	-	-	375,106	3%
Non-Executive Directors										
Wayne V Reid – Chairman and Independent Non-executive Director (Appointed 2 July 2013)	2015	54,996	-	-	5,225	-	-	-	60,221	0%
	2014	54,996	-	-	5,156	-	-	-	60,152	0%
Andrew J Plympton – Independent Non-executive Director (Appointed 23 July 2013, resigned 31 December 2014)	2015	-	-	-	-	-	-	-	-	0%
	2014	48,000	-	-	-	-	-	-	48,000	0%
Ting Jiang – Independent Non-executive Director (Appointed 22 May 2013, resigned 27 Jan 2016)	2015	48,000	-	-	-	-	-	-	48,000	0%
	2014	48,000	-	-	-	-	-	-	48,000	0%
Yu Bin Qiu – Independent Non-executive Director (Appointed 30 December 2014)	2015	21,900	-	-	-	-	-	-	21,900	0%
	2014	-	-	-	-	-	-	-	--	0%
Qiang An Liu – Independent Non-executive Director (Appointed 2 July 2013)	2015	-	-	-	-	-	-	-	-	0%
	2014	-	-	-	-	-	-	-	-	0%

Employee	Year	Short Term Employee Benefits: Cash Salary & Fees	Short Term Employee Benefits: Cash Bonus	Short Term Employee Benefits: Non-Monetary Benefits	Post-Employment Benefits: Superannuation	Long-Term Benefits: Long Service Leave	Termination Benefits: Termination Payments	Share-Based Payments: Options	Total	Performance Based Percentage of Remuneration
Other Key Management Personnel										
Chow Yee Koh – Company Secretary (Appointed 22 May 2013)	2015	33,000	-	-	3,135	-	-	-	36,135	0%
	2014	33,000	-	-	3,094	-	-	-	36,094	0%
Fang Zhang – CFO (Appointed 5 August 2014)	2015	33,000	-	-	3,135	-	-	-	36,135	0%
	2014	13,750	-	-	1,306	-	-	-	15,056	0%
Feifu Lin – PRC Financial Manager	2015	28,852	2,693	-	3,744	-	-	-	35,289	8%
	2014	21,138	2,384	-	914	-	-	-	24,436	10%
Wenjian Xu – PRC Head of Sales Division	2015	50,637	4,701	-	3,744	-	-	-	59,082	8%
	2014	35,694	8,416	-	1,192	-	-	-	45,302	19%
Yee Shyang Wong – CFO (Appointed 2 July 2013, resigned 4 August 2014)	2015	-	-	-	-	-	-	-	-	0%
	2014	17,500	-	-	1,625	-	-	-	19,125	0%
Ji Duo Lin – PRC Head of Sales Division (Resigned in 2014)	2015	-	-	-	-	-	-	-	-	0%
	2014	7,495	-	-	527	-	-	-	8,022	0%
Shaohuang Xu – PRC Deputy General Manager (Appointed 1 March 2015)	2015	45,401	4,274	-	3,744	-	-	-	53,419	8%
	2014	-	-	-	-	-	-	-	-	-
Lin Mao Ye – Administrative Manager	2015	25,121	2,458	-	3,494	-	-	-	31,073	8%
	2014	15,694	1,582	-	1,898	-	-	-	19,174	8%
2015 Total		**429,120**	**22,247**	**-**	**29,965**	**-**	**-**	**-**	**481,332**	**5%**
2014 Total		**659,347**	**22,216**	**-**	**16,904**	**-**	**-**	**-**	**698,467**	**3%**

c Director shareholdings

The table below shows the shareholdings of each director in number and percentage as at 31 December 2015.

Name	2014 Shareholding in Number	Purchase / (Disposal)	2015 Shareholding in Number	2014 Shareholding in Percentage	2015 Shareholding in Percentage
Jia Yin Xu*	259,200,000	-	259,200,000	54.95%	54.95%
Wayne V Reid	-	-	-	-	-
Ting Jiang	-	-	-	-	-
Prof. Qiang An Liu	-	-	-	-	-
Yu Bin Qiu	-	-	-	-	-

*On 7 January 2016, Mr Xu Jiayin disposed of 18,800,000 shares. As at the signing date of the remuneration report total number of shares held by Mr Xu Jiayin is 240,400,000 which represent 50.96% of the total number of shares of the Group.

No other Key Management Personnel has any share interest as at 31 December 2015.

d Service agreements

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base Salary ($)	Term of Agreement	Notice Period
Jia Yin Xu	96,262	3 years and auto-renewal	1 month
Wayne V Reid	55,000	1 year and auto-renewal	1 month
Ting Jiang	48,000	1 year and auto-renewal	1 month
Yu Bin Qiu	21,900	1 year and auto-renewal	1 month
Prof. Qiang An Liu	-	1 year and auto-renewal	1 month
Chow Yee Koh	33,000	1 year and auto-renewal	1 month
Fang Zhang	33,000	1 year and auto-renewal	1 month
Feifu Lin	31,918	1 year and auto-renewal	1 month
Shaohuang Xu	50,664	1 year and auto-renewal	1 month
Wenjian Xu	55,730	1 year and auto-renewal	1 month
Lin Mao Ye	29,132	1 year and auto-renewal	1 month

e Share-based remuneration

Options granted over unissued shares

There are no options issued by Sunbridge.

f Transaction with Key Management Personnel (KMP) and related parties

Transactions with Key Management Personnel

	2015	2014
	$	$
Reimbursement of expenses previously paid by Mr Xu Jiayin on the Group's behalf	1,328,765	835,983
Prepaid reimbursement made to Ting Jiang	-	2,000
Advances received by the Group to support the parent entity's operation in Australia from Mr Xu Jiayin	(470,000)	(505,748)
Company expenses paid by Jia Yin Xu	-	(291,914)

Balance with Key Management Personnel

Amounts receivable from and payable to Key Management Personnel of the Group at reporting date comprise of the following:

	Receivable from the party	Payable to the party
31 December 2015	**$**	**$**
Mr Jia Yin Xu	-	320,000
Mr Ting Jiang	2,000	-
	Receivable from the party	**Payable to the party**
31 December 2014	**$**	**$**
Mr Jia Yin Xu	-	1,178,765
Mr Ting Jiang	2,000	-

Related party transactions comprise of related party loans and no specific terms and conditions have been attached to the transactions above.

End of audited Remuneration Report.

Environmental legislation

The Group's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia or in China.

Indemnities given to, and insurance premiums paid for, auditors and officers

During the year, Sunbridge paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Non-audit services

During the year, Grant Thornton, the Company's auditors provided company tax return services of $2,600 in addition to their statutory audit duties (2014: $2,700).

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and

- the non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards

Details of the amounts paid to the auditors of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 27 to the Financial Statements.

A copy of the Auditor's Independence Declaration as required under s307C of the Corporations Act 2001 is included on page 14 of this financial report and forms part of this Directors' Report

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Signed in accordance with a resolution of the Directors.

Wayne V Reid
Chairman

31 March 2016

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SUNBRIDGE GROUP LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sunbridge Group Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 31 March 2016

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Sunbridge Group Limited and its Controlled Entities ('the Group') have adopted the third edition of the *Corporate Governance Principles and Recommendations* which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 31 December 2015 is dated as at 31 December 2015 and was approved by the Board on 25 March 2016. The Corporate Governance Statement is available on Sunbridge Group Limited's website at http://www.sunbridge.com.au/index.php/corporate-governance/compliance-policies

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2015

	Notes	2015	2014
		$	$
Revenue	6	71,480,033	84,242,060
Cost of Goods Sold		(46,756,114)	(55,661,471)
Gross Profit		**24,723,919**	**28,580,589**
Other Income	6	119,761	124,737
Direct store expenses		(5,383,451)	(2,026,447)
Marketing expense		(2,454,132)	(2,468,682)
Distributor support expense		(2,692,406)	(6,272,419)
Amortisation expense	16	(1,276,768)	(743,579)
Depreciation expense	15	(810,031)	(167,530)
Impairment of intangible assets	16	(1,141,782)	-
Stock impairment expense		(303,492)	-
Other expenses	7	(4,972,497)	(4,864,612)
Finance Costs	8	(36,631)	(469,160)
Profit/(Loss) before Income Tax		**5,772,490**	**11,692,897**
Income Tax Expense	9	(1,880,537)	(3,306,514)
Profit for The Year		**3,891,953**	**8,386,383**
Other Comprehensive Income for The Year Net of Tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		3,641,627	4,192,264
Total Comprehensive Income for The Year Attributable to Members		**7,533,580**	**12,578,647**
Profit attributable to members of the parent entity		3,891,953	8,386,383
Total comprehensive income attributable to members of the parent entity		**7,533,580**	**12,578,647**
Earnings Per Share (on profit attributable to ordinary equity holders)		**Cents**	**Cents**
Basic Earnings Per Share	24	0.83	1.78
Diluted Earnings Per Share	24	0.83	1.78

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2015

	Notes	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	30,530,267	29,320,103
Trade and other receivables	11	14,029,850	16,159,086
Security deposits to suppliers	12	2,239,413	2,185,085
Inventories	13	8,405,408	5,392,135
TOTAL CURRENT ASSETS		**55,204,938**	**53,056,409**
NON-CURRENT ASSETS			
Property, plant and equipment	15	8,341,028	6,439,403
Intangible assets	16	1,967,672	4,115,326
Deferred tax assets	17	1,740,177	1,731,340
TOTAL NON-CURRENT ASSETS		**12,048,877**	**12,286,069**
TOTAL ASSETS		**67,253,815**	**65,342,478**
CURRENT LIABILITIES			
Trade and other payables	18	4,137,255	5,940,314
Financial liabilities	19	-	2,891,300
Current tax liabilities	20	162,383	1,090,267
TOTAL CURRENT LIABILITIES		**4,299,638**	**9,921,881**
TOTAL LIABILITIES		**4,299,638**	**9,921,881**
NET ASSETS		**62,954,177**	**55,420,597**
EQUITY			
Issued capital	22	12,495,825	12,495,825
Foreign exchange translation reserve	23	10,791,710	7,150,083
Other Reserves	23	6,771,262	6,771,262
Retained Earnings		32,895,380	29,003,427
TOTAL EQUITY		**62,954,177**	**55,420,597**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Share Capital Ordinary $	Retained Earnings $	Foreign Exchange Reserve $	Other Reserves $	Total Equity $
Balance at 1 January 2014	12,495,825	20,900,088	2,957,819	6,771,262	43,124,994
Profit for the year	-	8,386,383	-	-	8,386,383
Other comprehensive income	-	-	4,192,264	-	4,192,264
Total comprehensive income	**-**	**8,386,383**	**4,192,264**	**-**	**12,578,647**
Transaction with owners in their capacity as owners					
Dividend paid for the year ended 31 December 2013	-	(283,044)	-	-	(283,044)
Balance at 31 December 2014	**12,495,825**	**29,003,427**	**7,150,083**	**6,771,262**	**55,420,597**
Profit for the year	-	3,891,953	-	-	3,891,953
Other comprehensive income	-	-	3,641,627	-	3,641,627
Total comprehensive income	**-**	**3,891,953**	**3,641,627**	**-**	**7,533,580**
Balance at 31 December 2015	**12,495,825**	**32,895,380**	**10,791,710**	**6,771,262**	**62,954,177**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	Notes	2015 $	2014 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		74,455,707	88,702,292
Payments to suppliers and employees		(66,236,586)	(70,915,338)
Interest received		119,761	124,737
Finance costs		(36,631)	(469,161)
Income tax paid		(2,779,642)	(5,665,346)
Net cash provided by operating activities	26	**5,522,609**	**11,777,184**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,353,221)	(1,819,685)
Purchase of intangible assets		-	(4,518,857)
Net cash provided by/(used in) investing activities		**(2,353,221)**	**(6,338,542)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) of borrowings		(3,060,950)	(7,008,910)
Cash receipts (advances) from (to) related parties		(1,027,196)	375,000
Dividends paid		-	(282,509)
Net cash used in financing activities		**(4,088,146)**	**(6,916,419)**
Net change in cash and cash equivalents		(918,758)	(1,477,777)
Cash and cash equivalents, beginning of year	10	29,320,103	27,856,579
Effects of exchange rates on cash and cash equivalents holdings in foreign currencies		2,128,922	2,941,301
Cash and cash equivalents, end of year	10	**30,530,267**	**29,320,103**

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1 Nature of operations

Sunbridge and subsidiaries' ('the Group') principal activities include the followings:

- Wholesale of clothing apparel to franchised distributors; and
- Retail of clothing apparel to company owned stores.

There have been no significant changes in the nature of these activities during the year.

2 General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). Sunbridge is a for-profit entity for the purpose of preparing the financial statements. Sunbridge is the Group's Ultimate Parent Company Sunbridge is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Level 25 88 Philip Street Sydney NSW 2000

The consolidated financial statements for the year ended 31 December 2015 were approved and authorised for issue by the Board of Directors on 31 March 2016.

3 New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 January 2015. Information on the more significant standard(s) is presented below.

- AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)
- Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010–2012 Cycle:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 Operating Segments to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2011–2013 Cycle clarify that an entity should assess whether an acquired property is an investment property under AASB 140 Investment Property and perform a separate assessment under AASB 3 Business Combinations to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

4 Summary of accounting policies

4.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

4.2 Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 31 December 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

4.3 Investments in associates and joint arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

There have been no investments in associates or joint ventures during the year.

4.4 Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars ('$AUD'), which is the functional and presentation currency of the Parent Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign currency monetary items are translated at the year-end exchanging rate. Non-monetary items are measured at historical cost continue to be carried at the exchange rate at the date of transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in income statement.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

The financial results and positions of foreign operations whose functional currency is difference from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at the reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign exchange translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

4.5 Segment reporting

The measurement policies the Group uses for segment reporting under AASB 8 are the same as those used in its financial statements, except that:

- post-employment benefit expenses
- expenses relating to share-based payments
- research costs relating to new business activities; and
- revenue, costs and fair value gains from investment property

are not included in arriving at the operating profit of the operating segments. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. In the financial periods under review, this primarily applies to the Group's headquarters.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

4.6 Revenue and Other Income

Revenue arises from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services (GST) or value added tax (VAT).

4.7 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

4.9 Intangible assets

Franchising rights and software have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of franchising rights and software over their estimated useful lives, which is based on estimated useful life for franchising rights (3 years) and 2 years for software.

4.10 Property, plant and equipment

Each class of property, plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Land and buildings	5%-10%
Office equipment	20-33%
Director store equipment	33-50%
Motor vehicle	33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

4.11 Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.12 Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

4.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

4.14 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and / or liabilities comprise those obligations to, or claims from, the Australian Taxation Office ('ATO') and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.16 Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- **reserves** – comprises the statutory reserve' and 'statutory welfare fund' ;
- **foreign currency translation reserve** – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into $AUD.

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

4.17 Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

4.18 Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

4.19 Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount GST and VAT, except where the amount of GST and VAT incurred is not recoverable from the Tax Office. In these circumstances the GST and VAT is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown as inclusive of GST and VAT.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST and VAT component of investing and financing activities, which are disclosed as operating cash flows.

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4.20 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates

Useful lives of depreciable and intangible assets

Management reviews its estimate of the useful lives of depreciable and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to the lease term of direct stores and technical obsolescence that may change the utility of certain software.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future fashion trend or other market-driven changes that may reduce future selling prices.

Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

5 Segment reporting

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment; and
- the type or class of customer for the products or services.

Types of products and services by segment

Segments as determined by the Directors and Management are as follows:

- Wholesale of clothing apparel to franchised distributors; and
- Retail sales of clothing apparel by company owned stores

The group operates predominately in one geographical segment, being the People's Republic of China.

Basis of accounting for purposes of reporting by operating segments:

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transactions

Inter-segment loans payables and receivables are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, there are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives majority economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location. All segment assets are located in China.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings. All segment liabilities are located in China.

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- income tax expense;
- current tax liabilities; and
- other financial liabilities.

Segment information for the reporting period is as follows:

2015	Wholesale $	Retail $	Total $
Segment revenues	53,229,900	18,250,133	71,480,033
Segment cost of sales	(38,361,054)	(8,395,060)	(46,756,114)
Segment interest revenue	119,767	-	119,767
Segment interest expense	(14,280)	-	(14,280)
Segment depreciation and amortisation	(838,809)	(1,831,997)	(2,670,806)
Segment impairment expense	-	(1,141,782)	(1,141,782)
Segment stock provision	(303,492)	-	(303,492)
Segment other expenses	(11,377,649)	(2,938,418)	(14,316,067)
Segment operating results	**1,559,567**	**2,957,156**	**4,516,723**
Unallocated expenses net of unallocated revenue			(624,770)
Group result			**3,891,953**
Segment assets	65,240,525	1,967,672	67,208,197
Total unallocated assets	-	-	45,618
Total consolidated assets			**67,253,815**
Segment liabilities	3,819,914	-	3,819,914
Total unallocated liabilities	-	-	479,724
Total consolidated liabilities			**4,299,638**

2014	Wholesale $	Retail $	Total $
Segment revenues	77,496,684	6,745,376	84,242,060
Segment cost of sales	(52,737,050)	(2,924,421)	(55,661,471)
Segment interest revenue	123,884	-	123,884
Segment interest expense	(463,127)	-	(463,127)
Segment depreciation and amortisation	(119,549)	(913,503)	(1,033,052)
Segment other expenses	(13,567,611)	(1,112,944)	(14,680,555)
Segment operating results	**7,999,228**	**1,345,882**	**9,345,110**
Unallocated expenses net of unallocated revenue			(958,727)
Group result			**8,386,383**
Segment assets	61,176,514	4,115,326	65,291,840
Total unallocated assets	-	-	50,638
Total consolidated assets			**65,342,478**
Segment liabilities	8,269,145	-	8,269,145
Total unallocated liabilities	-	-	1,652,736
Total consolidated liabilities			**9,921,881**

6 Revenue

	2015 $	2014 $
Sales revenue		
- Sales of goods	71,480,033	84,242,060
Other income		
- Bank interest received	119,761	123,884
- Other income	-	853
Total other income	**119,761**	**124,737**

7 Other expenses

Material other expenses during the year ended 31 December 2015 are listed below:

	2015 $	2014 $
Audit expense	125,000	135,000
Wholesale commission	795,531	1,266,266
Salary expenses	1,882,164	1,521,362
Transportation expense	453,764	496,075

8 Finance costs

Finance costs for the reporting periods consist of the following:

	2015 $	2014 $
Finance costs		
- Bank charges	5,285	6,034
- Interest expenses	31,346	463,127
Total	**36,631**	**469,161**

9 Income tax expenses

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Sunbridge. The Australian assessable earning will be taxed at 30% (2015: 30%). The Chinese assessable earnings are taxed at 25%. (2014:25%)

The components of tax expense comprise:

	Note	2015 $	2014 $
Current tax		1,786,643	4,830,826
Deferred tax		93,894	(1,524,312)
Current tax expense/(benefit)		1,880,537	3,306,514

The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

	2015 $	2014 $'
Prima facie tax payable on profit from ordinary activities before income tax at local tax rates		
- Consolidated group	1,443,123	2,923,224
Prior year tax differences adjusted based on PRC tax audit	22,625	43,793
Non-assessable income	(188,854)	(121,044)
• Impairment of intangible assets	285,446	-
• Tax loss on entities not recognised	318,197	460,541
• Income tax attributable to entity	1,880,537	**3,306,514**
The applicable weighted average effective tax rates are as follows	33%	28%

10 Cash and cash equivalents

Cash and cash equivalents include the following components:

	2015 $	2014 $
Cash at bank and in hand	30,530,267	29,320,103
Cash and cash equivalents	30,530,267	29,320,103

11 Trade and other receivables

Trade and other receivables consist of the following:

	Note	2015 $	2014 $
CURRENT			
Trade receivables	10a	13,983,169	16,128,613
Other receivables	10b	16,255	14,312
Goods & services tax receivable	10c	30,426	16,161
Total		14,029,850	**16,159,086**

a. Trade receivables past due but not impaired:

Current trade receivables are non-interest bearing and generally on 60 day terms (2014: 30 days). As of 31 December 2015, trade receivables of $1,906,537 (2014: $8,058,394) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2015 $	2014 $'
60-90 days	1,906,537	135,465
Total	1,906,537	135,465

The other balances within trade receivables are not past due and do not contained impaired assets. Based on the credit history of these receivables, it is expected that these amounts will be received when due. As at the signing date of the financial report, all past due but not impaired debtor balance has been received subsequent to the year end.

b. Other receivables

Other receivables arise from transaction outside the usual operating activities of the Company and are unsecured, interest free and repayable on demand.

There are no balances that are past due and impaired. It is expected these balances will be received when demanded.

c. Goods & services tax receivable

Goods & services tax ("GST") receivable relates to the GST receivable for the Australia parent entity.

12 Security deposits to suppliers

	2015 $	2014 $
CURRENT		
Security deposits to suppliers	2,239,413	2,185,085

Other assets represent advances/security deposits to suppliers for inventory purchases.

13 Inventories

Inventories consist of the following:

	2015 $	2014 $
CURRENT		
Inventory recognised at cost	8,705,207	5,392,135
Provision for stock obsolescence	(299,799)	-
Net inventory	8,405,408	**5,392,135**

Inventories are valued at the lower of cost and net realisable value. Inventory includes various forms of clothing apparel items held for sale. Inventory has been determined to be valued at the lower of cost and net realisable value at reporting date.

An inventory provision of $ 299,799 has been recognised during the current financial year for aged stock items in accordance with the Company policy (2014: nil).

14 Controlled entities

a. Controlled entities consolidated

	Country of Incorporation	Percentage Owned (%) 2015 %	 2014 %
Sunbridge Group Limited	Australia		
Subsidiaries of Sunbridge Group Limited:			
- Mega Rich International Creation Limited(2)	Hong Kong	100	100
- Bangdisidun (Fujian) Dress Development Co., Ltd.	People's Republic of China	100	100
- Hengjiasi Dress Development Co., Ltd	People's Republic of China	100	100

Note:
(1) Percentage of voting power is in proportion to ownership;
(2) Mega Rich International Creation Limited is the intermediate parent entity of Bangdisidun (Fujian) Dress Development Co., Ltd and Hengjiasi Dress Development Co., Ltd.

b. Cross guarantee

There is no deed of cross guarantee as at 31 December 2015 or 31 December 2014.

c. Non-controlling interest

No subsidiaries have a non-controlling interest.

15 Property, plant and equipment

Details of the Group's property, plant and equipment and their carrying amount are as follows:

	Office Equipment $	Land and Buildings $	Construction in Progress $	Direct Store Equipment $	Motor Vehicle $	Consolidated $
Gross carrying amount						
Cost						
Balance 1 January 2015	35,271	3,166,836	2,034,186	1,529,876	110,348	6,876,517
Additions	174,678	62,828	1,991,769	123,946	-	2,353,221
Disposals	-	-	-	-	-	-
Transferred from CIP	-	4,171,837	(4,171,837)	-	-	-
Net exchange differences	(57)	134,296	145,882	88,260	6,475	374,856
Balance 31 December 2015	209,892	7,535,797	-	1,742,082	116,823	9,604,594
Accumulated Depreciation						
Balance 1 January 2015	(31,949)	(285,015)	-	(120,150)	-	(437,114)
Depreciation	(26,589)	(217,809)	-	(528,184)	(37,449)	(810,031)
Disposals	-	-	-	-	-	-
Net exchange differences	(1,551)	(14,075)	-	(1,251)	456	(16,421)
Balance 31 December 2015	60,089	516,899	-	649,585	36,993	1,263,566
Net carrying amount 31 December 2015	149,804	7,018,987	-	1,092,408	79,829	8,341,028

15 Property, plant and equipment (Continued)

	Office Equipment	Land and Buildings	Construction in Progress	Direct Store Equipment	Motor Vehicle	Consolidated
	$	$	$	$	$	$
Gross carrying amount						
Cost						
Balance 1 January 2014	**32,600**	**2,927,021**	**1,714,272**	**-**	**-**	**4,673,893**
Additions	-	-	162,540	1,385,635	99,944	1,648,119
Disposals	-	-	-	-	-	-
Net exchange differences	2,671	239,816	157,372	144,241	10,404	554,504
Balance 31 December 2014	**35,271**	**3,166,836**	**2,034,185**	**1,529,877**	**110,348**	**6,876,518**
Accumulated Depreciation						
Balance 1 January 2014	**(28,160)**	**(204,891)**	**-**	**-**	**-**	**(233,051)**
Depreciation	(1,342)	(57,365)	-	(108,822)	-	(167,530)
Disposals	-	-	-	-	-	-
Net exchange differences	(2,447)	(22,759)	-	(11,328)	-	(36,534)
Balance 31 December 2014	**(31,949)**	**(285,015)**	**-**	**(120,150)**	**-**	**(437,115)**
Net carrying amount 31 December 2014	**3,322**	**2,881,821**	**2,034,185**	**1,409,726**	**110,348**	**6,439,403**

16 Intangible assets

Details of the Group's intangible assets and their carrying amounts are as follows:

	Franchising Rights $	Software $	Total $
Gross carrying amount			
Balance at 1 January 2015	4,974,614	67,397	5,042,011
Addition, separately acquired	-	-	-
Impairment of franchising rights	(1,141,782)	-	(1,141,782)
Currency translation differences	305,781	3,955	309,736
Balance at 31 December 2015	4,138,613	71,352	4,209,965
Amortisation			
Balance at 1 January 2015	(867,690)	(58,995)	(926,685)
Amortisation	(1,267,739)	(9,029)	(1,276,768)
Currency translation differences	(35,512)	(3,328)	(38,840)
Balance at 31 December 2015	(2,170,941)	(71,352)	(2,242,293)
Carrying amount 31 December 2015	1,967,672	-	1,967,672

The costs of the acquisition of franchising rights are recognised as intangible assets and are amortised over the estimated minimum lease term of direct stores (3 years). The remaining amortisation period for franchising rights is between 1.3-1.7 years.

Impairment of franchising rights recognised during the period relates to direct stores closed that can no longer generate future economic benefit to the Group.

	Franchising Rights $	Software $	Total $
Gross carrying amount			
Balance at 1 January 2014	**421,244**	**62,293**	**483,537**
Addition, separately acquired	4,610,008	-	4,610,008
Termination of franchising rights	(91,152)	-	(91,152)
Currency translation differences	34,514	5,104	39,618
Balance at 31 December 2014	**4,974,614**	**67,397**	**5,042,011**
Amortisation and impairment			
Balance at 1 January 2014	**(74,337)**	**(23,360)**	**(97,697)**
Amortisation	(713,037)	(30,542)	(743,579)
Currency translation differences	(80,316)	(5,093)	(85,409)
Balance at 31 December 2014	**(867,690)**	**(58,995)**	**(926,685)**
Carrying amount 31 December 2014	**4,106,924**	**8,402**	**4,115,326**

17 Deferred tax assets

Deferred taxes arising from temporary differences as a result of different treatment on distributor support and inventory impairment expenses recognised for accounting and tax purposes can be summarised as follows:

	2015 $	2014 $
Provision for stock obsolescence	74,950	-
Wholesaler renovation support	1,665,227	1,731,340
Total	**1,740,177**	**1,731,340**

18 Trade and other payables

Trade and other payables consist of the following:

	2015 $	2014 $
CURRENT:		
Trade payables	1,026,938	1,305,668
Security deposits from customers	1,636,025	1,655,020
Related party loans	320,000	1,178,765
Other payables	1,154,292	1,800,861
Total Trade and Other Payables	4,137,255	5,940,314

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

19 Financial liabilities

	Note	2015 $	2014 $
CURRENT			
Short term borrowings		-	2,891,300
Total		**-**	**2,891,300**

Interest payable on short-term borrowings is nil for current year (2014: 8.1% to 9.6%).

20 Current tax liabilities

The Group's current liabilities are as below:

	2015 $	2014 $
CURRENT:		
Income Tax Liability	162,383	1,090,267

21 Contingent assets and liabilities

There are no contingent assets or liabilities exist as at the end of the financial year

22 Share capital

Ordinary shares

The share capital of Sunbridge consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital.

Ordinary shares participate in dividends in proportion to the number of shares held.

At the Shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each Shareholder has one vote on a show of hands.

	2015 Shares	2014 Shares	2015 $'000	2014 $'000
Shares issued and fully paid:				
• Beginning of the year	471,738,000	471,738,000	12,495,825	12,495,825
• Shares issued	-	-	-	-
Total contributed equity at 31 December	**471,738,000**	**471,738,000**	**12,495,825**	**12,495,825**

Capital Management

The management's objectives when managing capital are to ensure that the group can fund its operations and continue as a going concern and to provide shareholders with adequate returns.

The management monitors capital on the basis of debt to equity ratio. This ratio is calculated as net liabilities divided by equity. Net liabilities is "Total liabilities" as shown on the consolidated statement of financial position less cash and cash equivalent and equity is "equity" as shown on the consolidated balance sheet.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year, which is to maintain the debt to equity ratio at not more than 100%. The debt-equity ratios as at 31 December 2015 and 31 December 2014 are as follows:

	2015 $	2014 $
Total liabilities	4,299,638	9,921,881
Less: Cash and cash equivalents	(30,530,267)	(29,320,103)
Net liabilities (net of cash)	(26,230,629)	(19,398,222)
Total equity	62,954,177	55,420,597
Net liabilities to equity ratio	(42%)	(35%)

23 Other components of equity

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Statutory General Reserve

Pursuant to the current People's Republic of China Company Law, the Company is required to transfer between 5% to 10% of its profit after taxation to a statutory reserve until the surplus reserve balance reaches a minimal of 50% of the registered capital. For the purposes of calculating the transfer to this reserve, the profit after taxation shall be the amount determined under the People's Republic of China accounting standards. The transfer to this reserve must be made before the distribution of dividends to the shareholders.

24 Earnings per share and dividends

Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (Sunbridge) as the numerator (i.e. no adjustments to profit were necessary in 2014 or 2015).

The reconciliation for the calculation of earnings per share for 2015 and 2014 are as follows:

	2015	2014
• Profit used to calculate basic EPS and dilutive EPS	3,891,953	8,386,383
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS and diluted EPS	471,738,000	471,738,000

Dividends

The board has resolved not to pay any dividends for the year ended 31 December 2015 (2014: Nil) due to the decrease of the net profit after tax for the year ended 31 December 2015 and the investment plan in 2016.

25 Capital and leasing commitments

Leasing commitments

The Consolidated Group has leasing commitments at 31 December 2015 as follow:

	2015 $	2014 $
• Payable – minimum lease payments		
- Not later than 12 months	43,064	87,314
- Between 12 months and 5 years	20,293	38,848
- Greater than 5 years	-	-
Total	**63,357**	**126,162**

Lease commitment relates to future contracted operating lease payment for direct stores.

Management fee commitments

The Consolidated Group has management fee commitments at 31 December 2015 as follow:

	2015 $	2014 $
• Management fee payable		
- Not later than 12 months	145,770	166,840
- Between 12 months and 5 years	105,066	262,094
- Greater than 5 years		-
Total	**250,836**	**428,934**

Management fee commitment relates to contracted future payment for direct stores.

Capital commitments

The Consolidated Group has capital commitments at 31 December 2015 as follow:

	2015 $	2014 $
• Planned capital expenditure		
- Not later than 12 months	247,346	694,204
- Between 12 months and 5 years	-	-
- Greater than 5 years	-	-
Total	**247,346**	**694,204**

Current year commitment represents outstanding consideration for land use rights purchase. The prior year capital commitment relates to contracted future payment for the office building under consecution.

26 Reconciliation of cash flows from operating activities

Reconciliation of Cash Flows from Operating Activities	**2015** **$**	**2014** **$**
Cash flows from operating activities		
Profit/(loss) for the period	3,891,953	**8,386,383**
Adjustments for:		
• amortisation	1,276,768	167,530
• Impairment	1,445,274	-
• depreciation	810,031	743,579
• Effects of foreign exchange	749,532	1,700,066
• **Net changes in working capital**		
• change in trade receivables	2,145,417	2,550,927
• change in other receivables	(70,509)	(387,702)
• change in inventories	(3,013,273)	(854,791)
• change in trade payables	(278,730)	448,264
• change in income taxes payable	(927,884)	(497,411)
• change in deferred tax	(8,837)	1,251,679
• change in other liabilities	(497,133)	(1,731,340)
Net cash from operating activities	5,522,609	11,777,184

27 Auditor remuneration

	2015	2014
	$	$
Remuneration for audit and review of financial statements for the parent entity:		
- Auditing and reviewing of financial report	125,000	135,000
Other services		
- Tax return	2,600	2,700
Total Auditor's remuneration	**127,600**	**137,700**

28 Related party transactions

28.1 Transactions with Key Management Personnel

	2015	2014
	$	$
Reimbursement of expenses previously paid by Mr Xu Jiayin on the Group's behalf	1,328,765	835,983
Prepaid reimbursement made to Ting Jiang	-	2,000
Advances received by the Group to support the parent entity's operation in Australia from Mr Xu Jiayin	470,000	505,748
Company expenses paid by Jia Yin Xu	-	291,914

28.2 Balance with Key Management Personnel

Amounts receivable from and payable to Key Management Personnel of the Group at reporting date comprise of the following:

	Receivable from the party	Payable to the party
31 December 2015	**$**	**$**
Mr Jia Yin Xu	-	320,000
Mr Ting Jiang	2,000	-
	Receivable from the party	**Payable to the party**
31 December 2014	**$**	**$**
Mr Jia Yin Xu	-	1,178,765
Mr Ting Jiang	2,000	-

Related party transactions comprise of related party loans and no specific terms and conditions have been attached to the transactions above.

28.3 Key Management Remuneration

	2015	2014
	$	$
Short-term benefits	451,367	681,563
Post-employment benefits	29,965	16,904
	481,332	**698,467**

Detailed information regarding Key Management Personnel remuneration has been outlined in the Remuneration Report included in the Director's Report

29 Financial instrument risk

29.1 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities consist of:

- Cash and cash equivalents;
- Trade and other receivables;
- Security deposits to suppliers;
- Trade and other payables;
- Short-term borrowings;
- Notes payable.

The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

29.2 Market Risk analysis

The main risks the Group is exposed to through its use of financial instruments are credit risks, liquidity risk and customer concentration risks. The Group does not have any significant exposure to currency risk and price risks.

Foreign currency risk

The Group does not have significant balances denominated in foreign currency other than the functional currency of the respective companies within the Group (Renminbi – RMB).

Credit risk

Credit risk is managed on a group basis and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The finance committee monitors credits risk on a regular basis.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

29.2 Market Risk analysis (Continued)

The Group performs ongoing credit evaluation of its customers' financial conditions and require no collateral from its customers. The allowance for doubtful debts is based upon a review of the expected collectability of all trade and other receivables.

There are no collateral held as security at 31 December 2015.

Price risk

The Group's financial instruments are not exposed to price risk.

Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term deposits placed with financial institutions. For further details on interest rate risk refer to Note 29.4.

Customer concentration risk

The Group's exposure to customer concentration risk relates to its dependence on major customers. The Group's top 10 customers in 2015 generate approximately 60% of the Group's revenue during the financial period. (2014: more than 70%).

29.3 Financial instrument composition and maturity analysis

The table below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Weighted Average Effective Interest Rate		Interest Bearing Maturing within 1 Year		Interest Bearing Maturing within 2 Years		Non-interest Bearing Maturing within 1 Year		Total	
	2015 %	2014 %	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Financial Assets:										
- Cash and cash equivalents (Variable interest rate)	0.30%	0.35%	30,530,267	29,320,103	-	-	-	-	30,530,267	29,320,103
- Trade and other receivables	-	-	-	-	-	-	14,029,850	16,159,086	14,029,850	16,159,086
- Security deposits to suppliers	-	-	-	-	-	-	2,239,413	2,185,085	2,239,413	2,185,085
Total Financial Assets			**30,530,267**	**29,320,103**			**16,269,263**	**18,344,171**	**46,799,530**	**47,664,274**
Financial Liabilities:										
- Trade and other payables		-		-		-	4,137,255	5,940,314	4,137,255	5,940,314
- Notes payable (Fixed interest rate)		-		-					-	-
- Short-term borrowings (Fixed interest rate)	-	8.21%	-	2,891,300	-	-	-	-	-	2,891,300
Total Financial Liabilities			**-**	**2,891,300**	**-**	**-**	**4,137,255**	**5,940,314**	**4,137,255**	**8,831,614**
Net Financial Assets:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42,662,275**	**38,832,660**

29.4 Interest rate sensitivity analysis

The Group has performed sensitivity analysis relating to its financial instrument's exposure to interest rate at reporting date. The Group's financial instruments do not have significant exposure to price risk and foreign exchange risk.

Interest rate sensitivity

The Group's exposure to interest rate risks relates principally to short-term deposits placed with financial institutions, short term borrowings and notes payable.

At 31 December 2015, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 5% (2014: +/- 5%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit/(Loss) for the year $		Equity $	
	+5%	-5%	+5%	-5%
31 December 2015	4,580	(4,580)	4,580	(4,580)
31 December 2014	(6,738)	6,738	(6,738)	6,738

29.5 Credit risk analysis

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Class of financial assets	**2015 $**	**2014 $**
Carrying amounts:		
Cash and cash equivalents	30,530,267	29,320,103
Security deposit made to suppliers	2,239,413	2,185,085
Trade and other receivables	14,029,850	16,159,086
Total	**46,799,530**	**47,664,274**

The Group's management considers that all of the above financial assets that are not impaired for each of the 31 December reporting dates under review are of good credit quality.

At 31 December 2015, the Group has certain trade receivables that have not been settled within their normal credit term but are not considered to be impaired. A detailed list of past due but not impaired trade receivable is disclosed in Note 11 (a).

30 Fair value measurement

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3:** unobservable inputs for the asset or liability

The Group does not hold any financial assets or liabilities carried at fair value as at 31 December 2015. All financial assets and liabilities are carried at amortised cost

The carrying amounts of current receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities approximates the carrying amount as the impact of discounting is not significant.

31 Accounting standards applicable in the future

The accounting standards that have not been early adopted for the year ended 31 December 2015, but will be applicable to the Group in future reporting periods, are detailed below. Apart from these standards, other accounting standards that will be applicable in future periods have been reviewed, however they have been considered to be insignificant to the Group.

AASB 9 Financial Instruments (December 2014) (Application date: 1 January 2018)

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

AASB 15 Revenue from Contracts with Customers (Application date: 1 January 2018)

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.

AASB 16 Leases

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

32 Parent entity information

Information relating to Sunbridge ('the Parent Entity'):

	2015 $	2014 $
Statement of financial position		
Assets		
Current assets	45,618	50,639
Non-current assets	23,105,271	23,388,315
Total assets	**23,150,889**	**23,438,954**
Liabilities		
Current liabilities	159,724	105,994
Non-current liabilities	1,929,163	1,459,163
Total liabilities	**2,088,887**	**1,565,157**
Net assets	**21,062,002**	**21,873,797**
Equity		
Issued capital	23,652,487	23,652,487
Retained earnings	(2,590,485)	(1,778,690)
Total equity	**21,062,002**	**21,873,797**
Financial performance		
Profit/(loss) Loss for the year	(811,795)	(685,897)
Total comprehensive income	**(811,795)**	**(685,897)**

No guarantee was provided by the parent entity in relation to debts of its subsidiary at 31 December 2015.
The Parent Entity has no contingent liabilities or contingent assets at 31 December 2015 (2014: $ Nil).

Sunbridge Group Limited (Parent Entity) was incorporated on 22 May 2013.

33 Post-reporting date events

No matters or circumstances have arisen since the end of the financial year to the date of authorization which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

34 Company details

Registered Office

Level 25, 88 Philip Street
Sydney NSW 2000

Principal place of business

No. 11 Longhu, Shaohui Industrial Area,
Jinjiang City, Fujian Province
People's Republic of China

Website

www.sunbridge.com.au

Directors' Declaration

1 In the opinion of the Directors of Sunbridge Group Limited and Its Controlled Entities:

a The consolidated financial statements and notes of Sunbridge Group Limited and Its Controlled Entities are in accordance with the *Corporations Act 2001*, including

i Giving a true and fair view of its financial position as at 31 December 2015 and of its performance for the financial year ended on that date; and

ii Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

b There are reasonable grounds to believe that Sunbridge Group Limited and Its Controlled Entities will be able to pay its debts as and when they become due and payable.

2 The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 31 December 2015.

3 Note 2 confirm that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Director

Dated the 31st day of March 2016.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUNBRIDGE GROUP LIMITED

Report on the financial report

We have audited the accompanying financial report of Sunbridge Group Limited (the "Company"), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion:

a the financial report of Sunbridge Group Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 6 to 11 of the directors' report for the year ended 31 December 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Sunbridge Group Limited for the year ended 31 December 2015, complies with section 300A of the Corporations Act 2001.

Grant Thornton.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 31 March 2016

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at **15 March 2016**.

Substantial Shareholders

The number of substantial shareholders and their associates are set out below:

Shareholder	Number of Shares
PERSHING AUSTRALIA NOMINEES PTY LTD <PHILLIP SECURITIES (HK) A/C>	308,717,568

Voting Rights

Ordinary Shares: On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Distribution of equity security holders

	Ordinary Shares		Options	
Holding	**Shareholders**	**Shares**	**Option holders**	**Options**
1 - 1,000	20	1,379	-	-
1,001 - 5,000	9	35,823	-	-
5,001 - 10,000	140	1,322,393	-	-
10,001 - 100,000	348	15,921,155	-	-
100,001-9,999,999,999	242	454,457,250	-	-
	759	**471,738,000**	**-**	**-**

Twenty (20) Largest Shareholders

	Ordinary Shares	
	Number of Shares Held	Percentage (%) of Issued Shares
PERSHING AUSTRALIA NOMINEES PTY LTD <PHILLIP SECURITIES (HK) A/C>	308,717,568	65.443%
HISHENK PTY LTD	11,214,500	2.377%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	9,259,447	1.963%
CITICORP NOMINEES PTY LIMITED	4,994,409	1.059%
REDBROOK NOMINEES PTY LTD	4,500,000	0.954%
MR ZHI GANG WU & MRS LI HONG REN	3,400,000	0.721%
MR SALVATORE PETER CIANCI	3,000,000	0.636%
MR MICHAEL EDWARD KEMP & MRS SANDRA FAYE KEMP <KEMP SUPER FUND A/C>	3,000,000	0.636%
WHITECHURCH DEVELOPMENTS PTY LTD <WHITECHURCH S/F A/C>	2,309,000	0.489%
BNP PARIBAS NOMS PTY LTD <DRP>	2,132,844	0.452%
FINETRADE INTERNATIONAL LTD	2,011,401	0.426%
MR GARY STUBBS & MRS SATISH STUBBS	2,000,000	0.424%
MR STEPHEN ANDREW WOOD	1,760,000	0.373%
MR ERVIN SOMOSI	1,735,000	0.368%
MR STEVEN JOHN TJHIA	1,550,000	0.329%
MR DAMIAN J SYMONS	1,501,878	0.318%
MR TERRY JOHN CLANCY	1,500,000	0.318%
MELBOURNE CORPORATION OF AUSTRALIA PTY LTD <SUPERFUND A/C>	1,499,999	0.318%
MR CHENGZHI SHEN	1,490,000	0.316%
MERINDA MIP PTY LTD <MCORP 1 ACCOUNT>	1,450,000	0.307%
	369,026,046	**78.227%**

Unissued equity securities

There are no options issued by the Company.

Securities Exchange

The Company is listed on the Australian Securities Exchange.