



CEO's address to shareholders at the 2018 Annual General Meeting.

English translation of CEO's address to shareholders:

Good morning, ladies and gentlemen.

Welcome to Sunbridge Group Limited's 2018 Annual General Meeting. On behalf of the Board of Directors and the management I would like to thank our shareholders and guests for your attendance.

This is the 5th year since Sunbridge Group Limited has been listed on the Australian Securities Exchange, and for this year, Sunbridge went through a series of upgrading during 2017. \$3.4 million was spent as renovation subsidies to distributors to support their renovation and upgrades to their stores to enhance customer experience. In addition, the direct stores consolidated to 52, from 56 in 2016. These resulted in a slight drop in revenue by 1% to \$56.6 million with a loss of \$350K. Should the company not incur the one-off renovation subsidy expense, the Group would have report a profit \$3.1 million. The Group continues to maintain an ample cash reserve of A\$28.3 million.

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

The Group has been looking at various investment opportunities, both in Australia and internationally. However, none of the opportunities materialises. The Group will continue to lookout for investment opportunities which complements and synergises with the Group's business. In the meantime, the Group will continue to focus on the business in China through supporting distributors in their renovation and upgrading of their stores so as to enhance customer experience. The Group will also reinforce research and development on high-end products while at same time diversifying into other complementary products, of which, will leads to better branding and improve profitability. In positioning the Group's branding, the Group will continue its brand development strategy, enhance the value added to its brand, establish its brand positioning and style, and strengthen customers' loyalty to the Group's brand and products.

Lastly, I would like to thank all shareholders for your trust and support of the Group, to thank all the employees of the Group for your hard work, and the board of directors for the guidance and supervision on the Group's operations. We will continue to work hard for the Group in improving shareholders' returns and look forward to working together in 2018.

Thank you.

Jiayin Xu