



## Sunbridge records solid revenue of \$AUD20.45 million for June quarter

- Revenue of \$AUD20.45 million up by 14.4% on previous quarter (\$AUD17.88 million)
- Company maintains strong balance sheet with cash on hand of \$AUD29.75 million
- Focus on reducing costs & overheads delivers strong positive cashflow result of \$AUD2.14 million
- New corporate headquarters, warehouse and showcase retail outlet in Jinjiang now operational

**Melbourne & Jinjiang, 30 July 2015: Sunbridge Group Ltd (ASX: SBB) (Sunbridge, the Company)** is pleased to confirm its continued strong trading performance for the period ended 30 June 2015.

### Financial Results

The Sunbridge Group recorded revenue of \$AUD20.45 million for the June quarter, an encouraging result given prevailing market conditions in China and the highly competitive sector in which it operates.

While this figure represents a decrease on the previous corresponding period (\$AUD23.42 million), the result is a solid increase of 14.4% on March quarter revenue of \$AUD17.88 million.

The Company has maintained its advertising and marketing spend in order to preserve its market share and revenues, with an expense of \$AUD606,000 for the quarter almost identical to that of the previous quarter (\$AUD607,000).

The Company has had a keen focus on controlling costs and overheads during the quarter, which has greatly assisted in achieving a cash flow positive result of **\$AUD2.14 million** for the period.

Sunbridge is encouraged that this strong revenue result combined with a focus on reducing overheads has delivered a strong positive cashflow result for the quarter of \$AUD2.14 million. The Company is pleased to maintain its strong balance sheet with cash on hand of \$AUD29.75 million, an increase on the previous quarter (\$AUD29.05 million).

### Operational Update

Sunbridge has recently completed its new corporate headquarters and warehouse in Jinjiang, with this new facility now delivering benefits such as increased warehouse capacity and streamlined logistics, along with the showcase retail outlet here now being operational.

The Company had identified a need for this facility, which doubles its warehousing capacity, due to the strong and ongoing growth it continues to enjoy with its **PANDIST** and **A<sup>g</sup>u<sup>se</sup>eadan** brands in China, while also establishing an online presence for its brands here.

As outlined above, the Company has maintained its advertising and marketing expenditure in a responsible manner, and is now enjoying the benefits of a greater number of self-owned and operated retail outlets, along with the approximately \$AUD6.9 million it had invested in renovations in many of its 352 authorised outlets.

Sunbridge Managing Director and CEO, Mr Xu Jia Yin, commented: "We are very encouraged by this revenue result that demonstrates solid growth compared to the previous quarter, and which has been achieved in somewhat challenging conditions."



“Given the current uncertainty in the market we have been diligent in managing our cost base, while at the same time ensuring that we maintain the visibility of our brands and deliver a superior customer experience, which we consider to be key factors in sustaining and building our business.”

“With a stable revenue profile, strong balance sheet and healthy cash reserves, Sunbridge now has the financial flexibility to further develop our business and become one of leading men’s fashion brands in the lucrative Chinese market.”

“I look forward to updating shareholders with our Half Year results towards the end of August.”

– ENDS –

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## **ABOUT SUNBRIDGE GROUP LIMITED**

**Sunbridge Group Limited (ASX: SBB)** (“Company”) is a leading retailer of menswear in the People's Republic of China (PRC). The Group owns and operates the “**PANDIST 邦迪.斯顿**” and **AGUESEADAN 亚阁.仕丹** brands of menswear, which are targeted at different age group segments of well-groomed upper middle class gentleman. The Group’s menswear products range from formal and business wear to casual and sporting apparel, and are currently sold in over 400 retail outlets across the PRC. As an integrated fashion enterprise, the Group is responsible for the design, sourcing and selling of their products. Founded in 1996, the Business has grown rapidly in recent years. The Group’s products are sold across an extensive distribution network, covering 28 provinces, autonomous regions and municipalities in the PRC and Hong Kong.

The Group designs all of its clothing through its in-house design team but it outsources all of its production to Original equipment manufacturer (OEM) contractors which are located in the Guangdong and Wenzhou cities, which are well known apparel production hubs in the PRC. The Group believes that its outsourcing of production to third parties enables it to focus its valuable resources on key design, procurement, warehousing and distribution functions giving the Group a competitive edge. Quality is one of the Group’s top priorities, and the Group works closely with its OEM contractors to ensure that all of its apparel and accessories meet the high quality standards demanded by its target market.