
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SUGA INTERNATIONAL HOLDINGS LIMITED

信佳國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 912)

MAJOR TRANSACTIONS:

- (1) FINANCIAL ASSISTANCE TO A JOINT VENTURE COMPANY
AND
(2) THE 2021 SUPPLEMENTAL COOPERATION AGREEMENT**

Capitalised terms used in this cover page have the same meanings as those defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

The Company has obtained the written Shareholders' approval for the provision of the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and the Proposed Share Charge and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules from a closely allied group of Shareholders (i.e. Dr. Ng, Billion Linkage Limited and Superior View Inc.) who hold approximately 60.15% of the issued Shares giving the right to attend and vote at a general meeting. Accordingly, no Shareholders' meeting will be held to approve the provision of the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and the Proposed Share Charge and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I — Financial Information of the Group	I-1
Appendix II — General Information	II-1

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2019 Announcement”	the announcement of the Company dated 9 September 2019
“2020 Guarantee”	the joint and several guarantees provided by the 2020 Guarantors in favour of the Bank in respect of the Bank Loan pursuant to the terms of the 2020 Guarantee Agreement
“2020 Guarantee Agreement”	the guarantee agreement dated 15 January 2020 entered into between the Bank and the 2020 Guarantors
“2020 Guarantors”	Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu and Mr. Liu
“2020 Loan Agreement”	the loan agreement dated 15 January 2020 entered into between the Bank and Huizhou Jiayifu
“2020 Loan Supplemental Agreement”	the supplemental agreement dated 15 January 2020 entered into between the Bank and Huizhou Jiayifu under the 2020 Loan Agreement
“2020 Share Charge Agreement”	the share charge agreement dated 15 January 2020 and entered into between the Bank (as chargee) and Nodic-Matsumoto (as chargor) by way of charge of the rights and interest in 50% of the share capital of Huizhou Jiayifu in favour of the Bank
“2021 Shareholder’s Loan by Nodic-Matsumoto”	an unsecured and interest-free loan in the principal amount of RMB5 million advanced by Nodic-Matsumoto to Huizhou Jiayifu for the purpose of repayment of part of the Bank Loan
“2021 Supplemental Cooperation Agreement”	a supplemental agreement to the Cooperation Agreement dated 7 July 2021 and entered into amongst Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu, Mr. Liu, Precise Computer Tooling and Huizhou Jiayifu
“Acquisition”	the acquisition of the land use right to the Land by Huizhou Jiayifu from the Bureau under the Land Transfer Contract
“Bank”	Huizhou Rural Commercial Bank, a banking institution in the PRC
“Bank Loan”	a loan in the principal amount of RMB78 million granted by the Bank as lender to Huizhou Jiayifu as borrower pursuant to the 2020 Loan Agreement

DEFINITIONS

“Board”	the board of Directors
“Board Letter”	the section headed “Letter from the Board” of this circular
“Bureau”	Huizhou Natural Resources Bureau* (惠州市自然資源局)
“Capital Contribution by Guangdong Fuchuan”	the capital contribution of RMB0.9 million made by Guangdong Fuchuan pursuant to the Cooperation Agreement
“Capital Contribution by Nodic-Matsumoto”	the capital contribution of RMB0.9 million made by Nodic-Matsumoto pursuant to the Cooperation Agreement
“Capital Contributions”	comprises (i) Capital Contribution by Guangdong Fuchuan and (ii) Capital Contribution by Nodic-Matsumoto
“Company”	Suga International Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00912)
“Cooperation Agreement”	the cooperation agreement dated 9 September 2019 entered into between Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu and Precise Computer Tooling, in relation to, among other things, the Capital Contributions and the Shareholder’s Loans
“Development Project”	the project being undertaken by Huizhou Jiayifu for developing the Land in accordance with the “Three Olds Renovation Plan” (i.e. a plan on the renovation of the old urban areas, old villages and old plants approved by the People’s Government of Guangdong Province)
“Director(s)”	the director(s) of the Company
“Dr. Ng”	Dr. Ng Chi Ho, the Chairman of the Group and an executive Director
“Financial Assistance 2019”	the Shareholder’s Loan by Nodic-Matsumoto
“Financial Assistance 2020”	the guarantee and share charge provided by Nodic-Matsumoto under the 2020 Guarantee Agreement and the 2020 Share Charge Agreement respectively
“Group”	collectively, the Company and its subsidiaries
“Guangdong Fuchuan”	Guangdong Fuchuan Investment Co., Ltd.* (廣東富川投資有限公司)

DEFINITIONS

“HK\$”	Hong Kong dollars, the legal currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Huizhou Jiayifu”	Huizhou Jiayifu Real Estate Development Co., Ltd.* (惠州佳宜富房地產開發有限公司)
“Land”	a parcel of land situated at Huihuan Street, Zhongkai HightechZone, Huizhou City, the PRC (land parcel no. ZKA-008-01) (中國惠州仲愷高新區惠環街道ZKA-008-01號地塊), occupying a site area of 9,806 square metres
“Land Transfer Contract”	the contract entered into between the Bureau as transferor and Huizhou Jiayifu as transferee on 16 August 2019 for the transfer of land use right to the Land
“Latest Practicable Date” or “LPD”	17 August 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu”	Mr. Liu Haibin* (柳海濱), a PRC citizen
“Mr. Xu”	Mr. Xu Weihong* (許偉鴻), a PRC citizen
“Mr. Zhuang”	Mr. Zhuang Ziyuan* (莊子遠), a PRC citizen
“Nodic-Matsumoto”	Nodic-Matsumoto Tooling and Plastic Injection (Huizhou) Co., Limited* (腦力-松本模具注塑(惠州)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Precise Computer Tooling”	Precise Computer Tooling Co., Limited (精工電腦制模有限公司), a company established in Hong Kong with limited liability, a wholly-owned subsidiary of the Company and the holding company of Nodic-Matsumoto
“Proposed Guarantee”	the proposed joint and several guarantees to be provided by the 2020 Guarantors in relation to the Proposed Second Bank Loan

DEFINITIONS

“Proposed Second Bank Loan”	loan(s) in the aggregate principal amount of up to RMB114 million proposed to be borrowed by Huizhou Jiayifu as borrower from the Bank or other financial institution
“Proposed Share Charge”	the proposed charge by Nodic-Matsumoto in favour of the Bank (or other financial institution) over the former’s rights and interest in 50% of the equity interest in Huizhou Jiayifu as security for the Proposed Second Bank Loan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholder’s Loan”	collectively, the Shareholder’s Loan by Guangdong Fuchuan and the Shareholder’s Loan by Nodic-Matsumoto
“Shareholder’s Loan by Guangdong Fuchuan”	the shareholder’s loan in the principal amount of RMB46.48 million provided by Guangdong Fuchuan pursuant to the Cooperation Agreement
“Shareholder’s Loan by Nodic-Matsumoto”	the shareholder’s loan in the principal amount of RMB46.48 million provided by Nodic-Matsumoto pursuant to the Cooperation Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *In this circular, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “*” is for identification purpose only.*

^ *Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.*

All times stated in this circular refer to Hong Kong time.

LETTER FROM THE BOARD



SUGA INTERNATIONAL HOLDINGS LIMITED

信佳國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 912)

Executive Directors:

Dr. Ng Chi Ho (*Chairman*)
Mr. Ma Fung On (*Deputy Chairman*)
Dr. Ng Man Cheuk

Non-executive Directors:

Mr. Lee Kam Hung
Prof. Luk Wing Ching

Independent non-executive Directors:

Mr. Leung Yu Ming, Steven
Mr. Chan Kit Wang
Dr. Cheung Nim Kwan

Registered office:

Clarendon House
2 Church Street
Hamilton
HM 11
Bermuda

Head office and Principal place of business:

22nd Floor,
Tower B,
Billion Centre
1 Wang Kwong Road,
Kowloon Bay
Kowloon, Hong Kong

24 August 2021

To the Shareholders

Dear Sir or Madam

MAJOR TRANSACTIONS:

**(1) FINANCIAL ASSISTANCE TO A JOINT VENTURE COMPANY
AND**

(2) THE 2021 SUPPLEMENTAL COOPERATION AGREEMENT

1. INTRODUCTION

Reference is made to the announcement of the Company dated 7 July 2021 in relation to the provision of financial assistance by Nodic-Matsumoto, an indirect wholly-owned subsidiary of the Company, to Huizhou Jiayifu, a joint venture company of the Group.

The purpose of this circular is to provide you with, among other things, further details of Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and Proposed Share Charge.

* *For identification purpose only*

LETTER FROM THE BOARD

2. BACKGROUND OF THE TRANSACTIONS

Reference is made to (1) the announcement of the Company dated 16 August 2019 in relation to the Acquisition by Huizhou Jiayifu of land use rights in Huizhou City at a consideration of RMB92 million under the Land Transfer Contract (which was effectively the land premium of the Land); and (2) the 2019 Announcement in relation to the Cooperation Agreement relating to the Acquisition of land use rights in Huizhou City.

Pursuant to the Cooperation Agreement, Nodic-Matsumoto and Guangdong Fuchuan agreed to jointly invest in Huizhou Jiayifu by way of Capital Contributions and Shareholders' Loan to develop the Land. The total commitment and consideration paid by Nodic-Matsumoto pursuant to the Cooperation Agreement was RMB47.38 million, which comprised (i) the Capital Contribution by Nodic-Matsumoto of RMB0.9 million; and (ii) the Shareholder's Loan by Nodic-Matsumoto of RMB46.48 million. The same capital commitment and consideration was paid by Guangdong Fuchuan to Huizhou Jiayifu. Following the completion of the Capital Contributions, Nodic-Matsumoto's equity interest in Huizhou Jiayifu was reduced from 90% to 50%.

As mentioned in the 2019 Announcement, (1) Huizhou Jiayifu would use the Capital Contributions and Shareholders' Loan (i.e. RMB94.76 million) solely to pay the consideration and the related tax of the Acquisition of land use rights in Huizhou City; and (2) within 90 days from the date on which Huizhou Jiayifu receives the land use right certificate in respect of the Land, Guangdong Fuchuan would procure third-party financing for Huizhou Jiayifu which would be used by Huizhou Jiayifu firstly to repay the Shareholder's Loan by Nodic-Matsumoto. On 16 October 2019, Huizhou Jiayifu received the land use right certificate.

On 15 January 2020:

- (1) Huizhou Jiayifu (as borrower) entered into the 2020 Loan Agreement and the 2020 Loan Supplemental Agreement with the Bank (as lender) for the Bank Loan in the amount of RMB78 million;
- (2) in support of the Bank Loan, Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu and Mr. Liu, as guarantors, entered into the 2020 Guarantee Agreement with the Bank, pursuant to which these 2020 Guarantors provided a joint and several guarantee in favour of the Bank in respect of the obligations of Huizhou Jiayifu under the 2020 Loan Agreement; and
- (3) Nodic-Matsumoto and the Bank entered into the 2020 Share Charge Agreement, pursuant to which Nodic-Matsumoto charged its 50% equity interest in Huizhou Jiayifu in favour of the Bank, as security for the Bank Loan.

On 20 January 2020, Huizhou Jiayifu repaid in full to Nodic-Matsumoto the latter's shareholder's loan in the amount of RMB46.48 million and repaid RMB31.52 million of the RMB46.48 million Shareholder's Loan by Guangdong Fuchuan.

On 16 April 2021, Nodic-Matsumoto advanced the 2021 Shareholder's Loan in the amount of RMB5 million to Huizhou Jiayifu for the purpose of repaying part of the Bank Loan.

LETTER FROM THE BOARD

To provide for the repayment of the Bank Loan and the relevant shareholders' loans by Nodic-Matsumoto and Guangdong Fuchuan, and to regulate the parties respective further funding obligations to Huizhou Jiayifu and the Development Project, on 7 July 2021, Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu, Mr. Liu, Precise Computer Tooling and Huizhou Jiayifu entered into the 2021 Supplemental Cooperation Agreement. According to the 2021 Supplemental Cooperation Agreement, Huizhou Jiayifu shall obtain the Proposed Second Bank Loan in the amount of RMB114 million from the Bank (or other financial institution), to be guaranteed by each of Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu and Mr. Liu.

3. FINANCIAL ASSISTANCE PROVIDED BY NODIC-MATSUMOTO TO HUIZHOU JIAYIFU IN 2020 AND 2021

The 2020 Loan Agreement and the 2020 Loan Supplemental Agreement

On 15 January 2020, Huizhou Jiayifu (as borrower) entered into the 2020 Loan Agreement and the 2020 Loan Supplemental Agreement with the Bank (as lender). Set out below is a summary of the major terms of the 2020 Loan Agreement and the 2020 Loan Supplemental Agreement.

Principal:	RMB78 million (<i>Note 1</i>)
Interest:	9% per annum
Loan term:	A term of three years from the date of the 2020 Loan Agreement
Repayment schedule:	RMB5 million per quarter from the second year of the Bank Loan and interest to be paid monthly, and all outstanding payment and interest to be paid at the end of the loan term (<i>Note 2</i>)
Purpose of the Bank Loan:	Payment of compensation for demolition and the fee for land levelling (<i>Note 3</i>)

Note 1: As at the Latest Practicable Date, the outstanding amount of the Bank Loan was RMB73 million together with relevant interest was RMB10,671,240.35 (as at 31 July 2021).

Note 2: On 8 July 2021, the repayment schedule of the outstanding Bank Loan of RMB73 million was change to RMB5 million per quarter from the third year of the Bank Loan, the interest remain to be paid monthly, and all outstanding payment and interest to be paid at the end of the loan term.

Note 3: As the payment of the compensation for demolition and fee for land levelling (i.e. being part of the land premium of the Land) was made by Huizhou Jiayifu utilising the Shareholder's Loan by Nodic-Matsumoto and the Shareholder's Loan by Guangdong Fuchuan, the Bank Loan was used to repay the Shareholder's Loan by Nodic-Matsumoto in full in the amount of RMB46.48 million and repay RMB31.52 million of the RMB46.48 million Shareholder's Loan by Guangdong Fuchuan.

LETTER FROM THE BOARD

The 2020 Guarantee Agreement

On 15 January 2020, Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu and Mr. Liu, as guarantors, entered into the 2020 Guarantee Agreement in favour of the Bank, pursuant to which these 2020 Guarantors jointly and severally guaranteed the repayment obligations of Huizhou Jiayifu under the 2020 Loan Agreement. The scope of the 2020 Guarantee included the Bank Loan, interests, penalties, liquidated damages and expenses for enforcing the Bank's claims under the 2020 Loan Agreement and other related fees.

The term of the 2020 Guarantee Agreement commenced from the date of the 2020 Guarantee Agreement and shall terminate on the date falling two years after the expiry of the performance obligations of Huizhou Jiayifu under the 2020 Loan Agreement.

The 2020 Share Charge Agreement

On 15 January 2020, Nodic-Matsumoto and the Bank entered into the 2020 Share Charge Agreement, pursuant to which Nodic-Matsumoto charged its 50% equity interest in Huizhou Jiayifu in favour of the Bank as security for the obligations of Huizhou Jiayifu under the 2020 Loan Agreement. The 2020 Share Charge Agreement shall terminate upon the full repayment of the Bank Loan.

On the same date, Guangdong Fuchuan and the Bank also entered into a separate share charge agreement, pursuant to which Guangdong Fuchuan charged its 50% equity interest in Huizhou Jiayifu in favour of the Bank as security for the obligations of Huizhou Jiayifu under the 2020 Loan Agreement.

2021 Shareholder's Loan by Nodic-Matsumoto

On 16 April 2021, Nodic-Matsumoto advanced the 2021 Shareholder's Loan by Nodic-Matsumoto in the amount of RMB5 million to Huizhou Jiayifu which was utilised by Huizhou Jiayifu to make a quarter repayment according to the repayment schedule of the Bank Loan.

The 2021 Shareholder's Loan by Nodic-Matsumoto was financed by the internal resources of the Group.

LETTER FROM THE BOARD

4. 2021 SUPPLEMENTAL COOPERATION AGREEMENT

To provide for the repayment of the Bank Loan and the relevant shareholders' loans by Nodic-Matsumoto and Guangdong Fuchuan, and to regulate the parties respective further funding obligations to Huizhou Jiayifu and the Development Project, on 7 July 2021, Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu, Mr. Liu, Precise Computer Tooling and Huizhou Jiayifu entered into the 2021 Supplemental Cooperation Agreement, pursuant to which, among other things:

- (1) Guangdong Fuchuan shall be responsible for raising the necessary funds for Huizhou Jiayifu to repay the outstanding Bank Loan and its interest. If Guangdong Fuchuan is unable to raise the necessary funds before Huizhou Jiayifu is required to repay the outstanding Bank Loan and its interest, Guangdong Fuchuan shall provide shareholder's loan(s) to Huizhou Jiayifu for the repayment of the outstanding Bank Loan and its interest;
- (2) Huizhou Jiayifu shall obtain the Proposed Second Bank Loan in the amount of RMB114 million from the Bank (or other financial institution); and
- (3) in support of the Proposed Second Bank Loan:
 - (i) Huizhou Jiayifu shall pledge the Land and the properties thereon to the Bank (or other financial institution);
 - (ii) Nodic-Matsumoto, Guangdong Fuchuan, Mr. Zhuang, Mr. Xu and Mr. Liu shall grant the Proposed Guarantee in favour of the Bank (or other financial institution) to jointly and severally guarantee the repayment obligations of Huizhou Jiayifu under the Proposed Second Bank Loan; and
 - (iii) each of Nodic-Matsumoto and Guangdong Fuchuan shall charge its 50% equity interest in Huizhou Jiayifu in favour of the Bank (or other financial institution).

The Proposed Second Bank Loan shall be used by Huizhou Jiayifu, by order of priority:

- (1) to repay the outstanding amount of the Bank Loan of RMB73 million together with relevant interest of RMB10,671,240.35 (as at 31 July 2021);
- (2) to repay the 2021 Shareholder's Loan by Nodic-Matsumoto of RMB5 million;
- (3) to repay the outstanding amount of the Shareholder's Loan by Guangdong Fuchuan of RMB14.96 million; and
- (4) as working capital for the Development Project.

The Proposed Second Bank Loan shall be repaid firstly by the proceeds received from the pre-sale of the properties in the Development Project. Should the proceeds be insufficient to repay the Proposed Second Bank Loan, Guangdong Fuchuan shall be solely responsible for providing the necessary funds and shall advance shareholder's loan to Huizhou Jiayifu for such repayment. Nodic-Matsumoto shall not be required to provide any further shareholder's loan or

LETTER FROM THE BOARD

guarantee for the Development Project. Guangdong Fuchuan shall be solely responsible for satisfying the future funding needs of Huizhou Jiayifu for the Development Project and its operation.

5. INFORMATION ON THE PARTIES

The Group is principally engaged in the research and development, manufacturing and sales of electronic and other products, and the sales of pet food and pet related products. The Company is principally engaged in investment holding. Nodic-Matsumoto is an indirect wholly-owned subsidiary of the Company whose principal business is investment holding in Mainland China. Precise Computer Tooling is an indirect wholly-owned subsidiary of the Company whose principal business is investment holding.

Huizhou Jiayifu is a company established in the PRC and its principal business activity is investment holding. It is a joint venture company held as to 50% by each of Nodic-Matsumoto and Guangdong Fuchuan as at the Latest Practicable Date. Guangdong Fuchuan is a company established in the PRC with experience in property development, which is owned as to 55% by Mr. Zhuang, 30% by Mr. Xu and 15% by Mr. Liu as at the Latest Practicable Date.

Mr. Zhuang, Mr. Xu and Mr. Liu are PRC citizens and the shareholders of Guangdong Fuchuan. To the best of the Director's knowledge, information and belief, and after making all reasonable enquiries, they are third parties independent of the Company and its connected persons.

The Bank is a banking institution in the PRC. To the best of the Director's knowledge, information and belief, and after making all reasonable enquiries, the Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

6. FINANCIAL EFFECT OF THE PROVISION OF FINANCIAL ASSISTANCE 2020, THE 2021 SHAREHOLDER'S LOAN BY NODIC-MATSUMOTO AND THE 2021 SUPPLEMENTAL COOPERATION AGREEMENT

The Directors are of the view that the provision of the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the guarantees under the 2021 Supplemental Cooperation Agreements will not have any material effects on the earnings, assets and liabilities of the Group.

7. REASONS FOR AND BENEFITS OF PROVISIONS OF FINANCIAL ASSISTANCE 2020, THE 2021 SHAREHOLDER'S LOAN BY NODIC-MATSUMOTO AND THE 2021 SUPPLEMENTAL COOPERATION AGREEMENT

As disclosed in the 2019 Announcement, within 90 days from the date on which Huizhou Jiayifu received the land use right certificate(s) in respect of the Land, Guangdong Fuchuan would procure third-party financing for Huizhou Jiayifu which would be used by Huizhou Jiayifu firstly to repay the Shareholder's Loan by Nodic-Matsumoto. On 16 October 2019, Huizhou Jiayifu received the land use right certificate. Accordingly, Huizhou Jiayifu entered into the 2020 Loan Agreement and the 2020 Loan Supplemental Agreement with the Bank to obtain the Bank Loan and utilised part of it to repay the Shareholder's Loan by Nodic-

LETTER FROM THE BOARD

Matsumoto's in full. At the request of the Bank, the 2020 Guarantee Agreement and the 2020 Share Charge Agreement were entered into as security for the Bank Loan (i.e. the Financial Assistance 2020).

The 2021 Shareholder's Loan by Nodic-Matsumoto was utilised to make a quarter repayment of the Bank Loan.

Huizhou Jiayifu expects to commence the pre-sale of the properties in the Development Project at the end of 2021. As the full repayment of the Bank Loan to release the charge on the Land in favour of the Bank is one of the pre-conditions to obtaining the pre-sale permit for the Development Project, Huizhou Jiayifu will need to obtain the Proposed Second Bank Loan to repay the Bank Loan. The Proposed Guarantee and Proposed Share Charge will provide necessary support for obtaining the Proposed Second Bank Loan. As mentioned in the section headed "8. Update on the Development Project" in this Board Letter, the Development Project is approximately 36.5% complete as at the Latest Practicable Date. In view of the potential growth and outlook of the property market in the region where the Land is situated after taking into account the economic potential of the Greater Bay Area and the approximately 20% increase in the average price per square metres of surrounding residential properties since January 2019, the Board is confident of the positive prospects of the Development Project.

The terms of the 2020 Loan Agreement, the 2020 Loan Supplemental Agreement, 2020 Guarantee Agreement, 2020 Share Charge Agreement, the 2021 Shareholder's Loan by Nodic-Matsumoto and the 2021 Supplemental Cooperation Agreement were determined after arm's length negotiations between the parties. The Directors (including all the independent non-executive Directors) are of the view that the terms of the 2020 Loan Agreement, the 2020 Loan Supplemental Agreement, 2020 Guarantee Agreement, 2020 Share Charge Agreement, the 2021 Shareholder's Loan by Nodic-Matsumoto and the 2021 Supplemental Cooperation Agreement are on normal commercial terms and are fair and reasonable. In light of the above and the positive prospects of the Development Project, the Directors (including all the independent non-executive Directors) further consider that the entering into of the 2020 Loan Agreement, the 2020 Loan Supplemental Agreement, 2020 Guarantee Agreement, 2020 Share Charge Agreement, the 2021 Shareholder's Loan by Nodic-Matsumoto and the 2021 Supplemental Cooperation Agreement are in the interests of the Company and the Shareholders as a whole.

8. UPDATE ON THE DEVELOPMENT PROJECT

As mentioned above, Huizhou Jiayifu received the land use right certificate on 16 October 2019. Work on the Development Project was scheduled to commence in April 2020 but was delayed to August 2020 due to the impact of COVID-19 restrictions. As at the Latest Practicable Date, the Development Project is approximately 36.5% complete and the pre-sale properties in the Development Project is expected to commence at the end of 2021. Full completion of the Development Project is expected to take place in mid-2023.

LETTER FROM THE BOARD

9. IMPLICATIONS UNDER THE LISTING RULES

Financial Assistance 2020

On a standalone basis, the Financial Assistance 2020 constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules exceeded 5% but were not more than 25%. Accordingly, the Financial Assistance 2020 was subject to the reporting and announcement requirements but not the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

On an aggregate basis pursuant to Rule 14.22 of the Listing Rules, the Financial Assistance 2020, together with the Financial Assistance 2019, constituted a major transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules exceeded 25% but was less than 100%. Accordingly, the Financial Assistance 2020 was subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The 2021 Shareholder's Loan by Nodic-Matsumoto

On a standalone basis, the 2021 Shareholder's Loan by Nodic-Matsumoto did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules were below 5%.

The 2021 Supplemental Cooperation Agreement

On a standalone basis, the Proposed Guarantee and Proposed Share Charge under the 2021 Supplemental Cooperation Agreement constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules as the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules exceed 5% but are not more than 25%.

Accordingly, the Proposed Guarantee and Proposed Share Charge are subject to the reporting and announcement requirements but not the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

On an aggregate basis pursuant to Rule 14.22 of the Listing Rules, the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and Proposed Share Charge, together with the Financial Assistance 2019, constitute a major transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules exceeds 25% but less than 100%. Accordingly, the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and Proposed Share Charge are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

Pursuant to Rule 14.15(2) of the Listing Rules, the aggregate funding commitment of the Group to Huizhou Jiayifu under the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and Proposed Share Charge, together with the Capital Contribution by Nodic-Matsumoto and the Financial Assistance 2019, constitute a major transaction of the Company under Chapter 14 of the Listing Rules as one of the applicable percentage ratios calculated with reference to Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%. Accordingly, the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and Proposed Share Charge are subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

10. REMEDIAL MEASURES AND ACTIONS

The Board considers the Company's inadvertent oversight and failure to comply with the relevant provisions of Chapters 13 and 14 of the Listing Rules and make timely disclosures of the Financial Assistance 2020 and the 2021 Shareholder's Loan by Nodic-Matsumoto regretful. To avoid any occurrence of similar incidents in the future, the Company will adopt the following measures to strengthen the relevant internal control procedures of the Group:

- (i) provide training to the Directors and senior management of the Group to remind them, in particular the finance team, to report transactions which may need to be disclosed under Chapters 13 and 14 of the Listing Rules to the Group's compliance personnel, and seek professional advice if necessary, to ensure that they understand the requirements under the Listing Rules and the relevant rules and regulations; and
- (ii) review, strengthen and continue to monitor the relevant internal control measures of the Group, including but not limited to contract signing procedures, to ensure that current and future transactions will be conducted in compliance with the applicable requirements under the Listing Rules and other relevant rules and regulations.

11. WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, shareholders' approval may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and Proposed Share Charge and the transactions contemplated thereunder; and (b) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and the Proposed Share Charge and the transactions contemplated thereunder. On 7 July 2021, the Company obtained the written Shareholders' approval from a closely allied group of shareholders who are interested in an aggregate of 170,528,000 Shares, representing approximately 60.15% of the issued share capital of the Company as at 7 July 2021, such written approval of the aforementioned group of Shareholders has been accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. The aforesaid closely allied group of Shareholders are (i) Dr. Ng (holding 6,930,000 Shares representing approximately 2.4% of the issued share capital of the

LETTER FROM THE BOARD

Company); (ii) Billion Linkage Limited, a company held by Dr. Ng and his spouse in equal shares (holding 53,598,000 Shares representing approximately 18.9% of the issued share capital of the Company); and (iii) Superior View Inc., a company ultimately held by Fidelitycorp Limited as the trustee of the C.H. Family Trust, the beneficiaries of which are the family members of Dr. Ng (holding 110,000,000 Shares representing approximately 38.8% of the issued share capital of the Company).

12. VOTING RECOMMENDATION

The Directors consider that the terms of the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and the Proposed Share Charge are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution to approve the Financial Assistance 2020, the 2021 Shareholder's Loan by Nodic-Matsumoto and the Proposed Guarantee and the Proposed Share Charge if the Company was to convene a general meeting for the approval of these transactions.

13. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Suga International Holdings Limited
NG Chi Ho
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the financial years ended 31 March 2019, 2020 and 2021 respectively was set out in the annual reports of the Company for these periods respectively and are available on the website of the Stock Exchange set out below:

Financial period ended	Website	Pages No.
31 March 2019	https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0709/ltn20190709387.pdf	93 to 235
	<i>Note: published on 9 July 2019</i>	
31 March 2020	https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0708/2020070800440.pdf	97 to 247
	<i>Note: published on 8 July 2020</i>	
31 March 2021	https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0713/2021071300407.pdf	105 to 247
	<i>Note: published on 13 July 2021</i>	

2. INDEBTEDNESS

As at the close of business on 30 June 2021, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

Bank borrowings

As at 30 June 2021, the Group had aggregate outstanding bank borrowings of approximately HK\$171.9 million, which were unsecured and guaranteed by corporate guarantees provided by the Company and certain of its subsidiaries.

Lease liabilities

As at 30 June 2021, the Group had lease liabilities with outstanding carrying amount of approximately HK\$8.1 million.

Pledge of Assets

As at 30 June 2021, the Group's interest in a joint venture was pledged in favor of a bank to secure a bank facility granted to its joint venture. The Group did not pledge any assets as securities for the banking facilities granted to the Group as at 30 June 2021.

Capital commitments and contingent liabilities

As at 30 June 2021, the Group had a capital commitment of HK\$23.0 million for the property, plant and equipment and investment in Huizhou Jiayifu Real Estate Development Co., Ltd..

Corporate guarantees given to banks to secure the borrowings granted to subsidiaries as at 30 June 2021 amounted to HK\$171.9 million. As at 30 June 2021, the Group had contingent liabilities in respect of financial guarantees of HK\$6.5 million and RMB73.0 million for banking facilities granted to its associate and joint venture respectively.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, as at the close of business on 30 June 2021, the Group did not have any debt securities, issued and outstanding, and authorized or otherwise created but unissued, and term loans, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP FOR THE FINANCIAL YEAR ENDING 31 MARCH 2022

The Company has a diversified product portfolio. Among all its products, professional audio equipment has become an expertise area of SUGA, securing for it a number of business partners. Demand for those products is expected to sustain. The Group will continue to grow its R&D team and strive to develop for customers more products with strong demand potential, including professional audio equipment and hair styling products co-developed with a smart personal care product customers in recent years, all to the end of creating more room for the Group to grow profit. As for other products of the Group, orders and cooperation plans gradually improved in the second half year and hopefully will be back on the right track in the coming year.

In terms of market, China, the fastest among countries to have the pandemic under control, has become the engine of global economic growth. To capture the opportunities presented by China's inner circulation policy, the Group started to focus on expanding the China market last year and reaped initial results. In the future, it will make good use of the production capacity of its Dongguan plant and continue to develop its business in China, aiming to expand its customer base, achieve a more balance and healthy market layout, and enhance its risk resistance.

Similarly, the Group's customers are also recognising the importance of market diversification and dispersing supply chain risks, thus tend to prefer to work with partners with production capacity in different regions. The Group started adopting the "China Plus One" strategy in 2018 and established a highly automated factory in Vietnam to meet customers' need for more cost-effective production that Vietnam affords. With that demand increasing, the Group has since kept expanding its production capacity in Vietnam. It is building a more than 30,000 square metres new plant in Que Vo III Industrial Zone, Bac Ninh

Province, Vietnam, which is expected to commence production in second half of 2021. With operation of its existing plant maturing and when the new plant is finished, the Group expects to enjoy strong economies of scale and achieve higher yet cost effectiveness in production.

As for pet business, the Group believes the business will continue to benefit from “stay-at-home” new normal. Thus, it will not only pursue online marketing to boost recognition of its domestic pet food brand “TeenyTiny”, but also look for producers for “Brabanconne” in other regions to disperse supply risks. In addition, the Group will source more brands for its online stores to avail to customers diverse high-quality products, and also continue to launch new features aiming to enhance user experience.

As to the Development Project, details have been set out in the section headed “Letter from the Board — 8. Update on the Development Project” of this circular.

The management will pay close attention to macroeconomic and market trends and timely adjust strategies as the new normal commands, in its bid to bring the Group’s businesses to the next level and create long-term value for customers and shareholders.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account (i) the internal resources available to the Group including operating cash from operation; and (ii) the presently available banking facilities, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its requirements for at least the next 12 months from the date of publication of this circular.

5. NO MATERIAL ADVERSE CHANGE

The Directors confirm that they were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at the LPD, the interests and short positions of the Directors and chief executives of the Company in the shares and, in respect of equity derivatives, underlying shares in, and debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or, which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in shares of the Company

Name of Director	Capacity	Number of shares	Total interests	Percentage of issued ordinary shares	Number of underlying shares held under equity derivatives (Note 1)
Dr. Ng	Beneficial owner	6,930,000 (L)	170,528,000 (L)	60.15% (L)	—
	Interests of controlled corporation	53,598,000 (L) (Note 2)	—	—	—
	Founder of a discretionary trust	110,000,000 (L) (Note 3)	—	—	—
Mr. Ma Fung On	Beneficial owner	4,323,000 (L)	14,223,000 (L)	5.02% (L)	—
	Interests of controlled corporation	9,900,000 (L) (Note 4)	—	—	—
Dr. Ng Man Cheuk	Beneficial owner	1,000,000 (L)	111,000,000 (L)	39.15% (L)	800,000
	Beneficiary of a discretionary trust	110,000,000 (L) (Note 3)	—	—	—
Mr. Lee Kam Hung	Beneficial owner	1,257,800 (L)	1,257,800 (L)	0.44% (L)	—
Mr. Leung Yu Ming, Steven	Beneficial owner	530,000 (L)	530,000 (L)	0.19% (L)	—
Mr. Chan Kit Wang	Beneficial owner	200,000 (L)	200,000 (L)	0.07% (L)	—

Notes:

1. These represent the interests in the underlying shares in respect of the share options granted by the Company, the details of which are set out in the paragraph “(c) Interest in the underlying shares of the Company” below in this Appendix.
2. These 53,598,000 shares are held by Billion Linkage Limited, the entire issued shares of which is held by Dr. Ng and his spouse in equal shares.
3. These 110,000,000 shares are held by Superior View Inc., the entire issued shares of which is ultimately held by Fidelitycorp Limited as the trustee of the C.H. Family Trust, the beneficiaries of which are the family members of Dr. Ng.
4. These 9,900,000 shares are held by Global Class Enterprises Limited, the entire issued shares of which is held by Mr. Ma Fung On.
5. (L) — Long Position.

(b) Interests in shares of the Company’s associated corporation

Non-voting deferred shares of HK\$1.00 each in Suga Electronics Limited, a wholly-owned subsidiary of the Company:

Name of Director	Capacity	Number of Non-voting deferred shares (Note 1)	Percentage of issued shares
Dr. Ng	Interests of controlled corporation	3,680,000 (Note 2)	92%
Mr. Ma Fung On	Interests of controlled corporation	240,000 (Note 2)	6%

Notes:

1. These non-voting deferred shares have no voting rights, are not entitled to dividends, and are not entitled to any distributions upon winding up unless a sum of HK\$10,000,000,000 per ordinary share has been distributed to the holders of ordinary shares.
2. The 4,000,000 non-voting deferred shares in Suga Electronics Limited are held as to 80% by Essential Mix Enterprises Limited and 20% by Broadway Business Limited. Dr. Ng and Mr. Ma Fung On hold 92% and 6% interests in each of Essential Mix Enterprises Limited and Broadway Business Limited respectively.

(c) Interest in the underlying shares of the Company

Director	Number of options outstanding at the LPD	Exercise price	Date of grant	Exercise period
Dr. Ng Man Cheuk	800,000	2.090	30 August 2018	30 August 2018– 29 August 2023

Save as disclosed above, as at the LPD, none of the Directors, chief executives of the Company, supervisors of the Company or their respective associates had any interests or short positions in the shares or, in respect of equity derivatives, underlying shares in, or debentures of, the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the LPD, so far as is known to the Directors or chief executives of the Company, the following persons (other than the Directors and chief executives of the Company) had, or was deemed or taken to have, an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, carrying rights to vote in all circumstances at the general meetings of the Company:

Name	Capacity	Number of shares	Percentage of issued shares
Superior View Inc. (Note 1)	Beneficial owner	110,000,000 (L)	38.80% (L)
Billion Linkage Limited (Note 2)	Beneficial owner	53,598,000 (L)	18.91% (L)
Lee Wai Fun (Note 3)	Interest of spouse	116,930,000 (L)	41.25% (L)
	Interest of controlled corporation	53,598,000 (L)	18.91% (L)

Notes:

1. The entire issued share capital of Superior View Inc. is ultimately held by Fidelitycorp Limited as trustee of the C.H. Family Trust, the beneficiaries of which are the family members of Dr. Ng.
2. The entire issued share capital of Billion Linkage Limited is held by Dr. Ng and his spouse (namely, Madam Lee Wai Fun) in equal shares and, as such, Dr. Ng is deemed to be interested in all the shares held by Billion Linkage Limited under the SFO.

3. Madam Lee Wai Fun is deemed to be interested in 116,930,000 shares held by her spouse, namely Dr. Ng, a Director, through Billion Linkage Limited and Superior View Inc..
4. (L) — Long Position.

Save as disclosed above, as at the LPD, so far as is known to the Directors or chief executives of the Company, there was no person (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or, had direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, or were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

4. DIRECTORS WHO WERE DIRECTORS OR EMPLOYEES OF THE SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

Set out below is the information on the Directors who were also the directors or employees of the substantial shareholders of the Company disclosed in section headed “3. Disclosure of Interests of Substantial Shareholders” above as at the LPD:

Substantial shareholder	Name of Director	Position in the substantial shareholder
Billion Linkage Limited	Dr. Ng	A director
Superior View Inc.	Dr. Ng	A director

5. DIRECTORS’ INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (a) As at the LPD, none of the Directors had, or have had, any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, any member of the Group since 31 March 2021 the date to which the latest published audited consolidated financial statements of the Group were made up.
- (b) There was no contract or arrangement subsisting as at the date of this circular in which any of the Directors or the directors of any member of the Group was materially interested and which is significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and, so far as the Directors were aware, no litigation or claim of material importance was pending or threatened by or against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the members of the Group within the two years immediately preceding the date of this circular which are or may be material:

- (a) the land transfer contract entered into between Huizhou Jiayifu and Huizhou Natural Resources Bureau* (惠州市自然資源局) on 16 August 2019 whereby, among other things, Huizhou Natural Resources Bureau agreed to transfer, and Huizhou Jiayifu agreed to acquire, the land use right to the Land at the consideration of RMB92 million;
- (b) the Cooperative Agreement;
- (c) the 2020 Guarantee Agreement;
- (d) the 2020 Share Charge Agreement;
- (e) the agreement entitled “Contract on sub-lease of land with infrastructure attached” entered into between Suga International (Vietnam) Company Limited (a subsidiary of the Company and hereinafter “**Suga Vietnam**”) and Eco Industrial Park Company Limited on 28 April 2020 whereby, among other things, Suga Vietnam agreed to sublease a piece of land (Lot number CN11-3, Que Vo III Industrial Zone at Que Tan Commune, Que Vo district, Bac Ninh province, Vietnam and hereinafter “**Vietnam Land**”) from Eco Industrial Park for a term of 39 years at the total consideration of approximately Vietnamese Dong 79,696,359,940;
- (f) the construction contract dated 15 October 2020 and entered into between Suga Vietnam and Investment and Development Construction Industrial Corporation whereby, among other things, Suga Vietnam agreed to undertake the construction works for a factory to be erected on the Vietnam Land at the consideration of Vietnamese Dong 108,400,000,000; and
- (g) the 2021 Supplemental Cooperation Agreement.

9. SERVICE CONTRACTS OF DIRECTORS

As at the LPD, none of the Directors had any existing or proposed service contracts with any member of the Company which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

10. GENERAL

- (a) The registered office of the Company is situated at Clarendon House 2, Church Street, Hamilton HM 11, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is at 22nd Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.
- (d) The company secretary of the Company is Ms. Zeng Zhi. Ms. Zeng is a Chartered Secretary, a Chartered Governance Professional and an associate member of both the Hong Kong Institute of Chartered Secretaries and the Chartered Governance Institute.
- (e) The English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday other than public holidays, up to and including the date which is 14 days from the date of this circular at the principal place of business of the Company in Hong Kong at 22nd Floor, Tower B, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong:

- (a) the Memorandum of Associations and Bye-Laws of the Company;
- (b) the material contracts referred to in the section headed “8. Material Contracts” in this appendix;
- (c) the Board Letter, the text of which is set out on pages 5 to 14 of this circular;
- (d) the annual reports of the Company for the three financial years ended 31 March 2019, 2020 and 2021 respectively; and
- (e) this circular.