



[For Immediate Release]

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SUGA AND JIHE INVESTMENT ESTABLISH JOINT VENTURE

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SPEEDS UP FORAY INTO CHINA PET MARKET RICH WITH POTENTIAL

Suga International Holdings Limited (“SUGA”/the “Group”) (stock code: 912), a leading electronics total solutions provider, is pleased to announce that United Fountain Investment Limited, the Group’s wholly owned subsidiary, signed a joint venture agreement with Shenzhen Jihe Investment Ltd (深圳積禾投資有限公司, “Jihe Investment”) on 30 June 2016 to set up a joint venture called Chongmi Investment & Consultation (Shenzhen) Co., Ltd (深圳前海寵米投資諮詢有限公司, “Chongmi Investment”) to tap the potential-rich China pet market.

The project commands a total investment of approximately RMB20 million. Chongmi Investment mainly invests in and develops the quality pet food and goods market in mainland China and provides pet-related peripheral services like pet training, pet hospital and foster care services. An @Chongmi WeChat public account has been set up with a fan following of more than 20,000 cumulatively. It has also set up a pet food and goods distributing mall to help it further capture the mainland market. On the hardware side, Chongmi Investment is developing its first smart pet leash that can prevent pets from getting lost and also monitor their health. The product is expected to be ready for launch to the mainland market in mid-August 2016.

SUGA has long seen the huge development potential of the pet market in China. It started laying a foundation in the mainland market by setting up a subsidiary each in the free trade zone in Nansha and Tianjin in 2015 to provide both online and offline services for the pet markets in Southern and Northern China respectively. In addition, the Group signed an agreement with a Belgian pet food partner last year to produce quality pet food in Europe under SUGA’s brand. With a good understanding of the pet markets in Hong Kong and mainland China accumulated over the past few years, SUGA is confident that its product formula will better suit the two markets, conducive to the Group capturing market share.

Dr C H Ng, Chairman of SUGA, said, “We are very pleased to be cooperating with Jihe Investment. The establishment of Chongmi Investment will enable the Group to speed up expansion of its pet business in China. Our pet food business in Hong Kong has performed well and recorded satisfactory sales growth last year, giving us the confidence to replicate the successful model in mainland China. We strongly believe our pet business will become a new growth driver for the Group and help generate better returns for shareholders.”

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