



[For Immediate Release]

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**SUGA TO ESTABLISH PLANT IN VIETNAM
DEVELOPS PRODUCTION NETWORK ACROSS DIFFERENT REGIONS**

Suga International Holdings Limited (“SUGA” or the “Group”) (stock code: 912), a leading electronics total solutions provider, today announced plan to establish a plant in Vietnam in order to ease pressure from the trade war and mounting costs in mainland China.

With an area of 4,134 sq. m., the new plant will be located in the Dai Dong-Hoan Son Industrial Park in Bac Ninh Province, Vietnam. The management has devised a clear development blueprint for production capacity expansion in Vietnam. The initial investment in the project is estimated at HK\$20,000,000. Two production lines are expected to commence operation in the fourth quarter of 2018.

Dr C H Ng, Chairman of SUGA, said, “Even though SUGA is presently unaffected by the Sino-US trade war, after taking into account the effects brought by ongoing escalation of the trade dispute and rising production costs in mainland China, the management has elected to take precautionary measures to actively develop the Group’s production network across different regions. Having considered various factors, the management believes that Vietnam is an ideal location for building a new plant. We have decided to take advantage of the preferential tax rates, competitive labor cost, stable labor market and strategic location to effectively disperse risk faced by SUGA and better capture growth opportunities. We firmly believe that our production bases in Dongguan and Vietnam can perform their respective functions well to suit the different needs of our customers.”

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