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SUGA INVESTS IN US NEW ECONOMY CUSTOMER MOBILIGIX
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CEMENTS BUSINESS PARTNERSHIP PROMISES SYNERGISTIC BENEFITS

A wholly-owned subsidiary of **Suga International Holdings Limited** (“SUGA” or the “Group”) exercised the conversion right and also the warrant in relation to Mobilogix, Inc. (“Mobilogix”) on 29 October 2019. Subsequently to that, Mobilogix allotted and issued a total of 127,150 Mobilogix shares to the Group, equivalent to 22% of the enlarged entire issued and outstanding share of common stock of Mobilogix.

After exercising the US\$2 million (approximately HK\$15.6 million) interest-bearing convertible promissory note and the warrant, approximately 22% interest in Mobilogix will be accounted for as an interest in associate in the financial statements of the Group. Also, the Group has entered into a shareholders agreement with existing shareholders that governs the sale and purchase of Mobilogix shares by the parties concerned.

Mobilogix is a California-based Software as a service (SaaS) provider and original design manufacturer (ODM) specialising in providing turnkey solutions and engineering solutions for Internet of Things (IoT), covering connectivity, cloud and IoT data services. It also has a proven track record in transportation, medical, commercial and industrial sectors.

In recent years, the Group has put resources into incorporating IoT technology in different products, gaining for it the endorsement of existing customers and also brought it the US new economy customer Mobilogix in FY2019. This new cooperation has started to make a contribution to the Group, explaining the notable 18.3% revenue growth of the electronic products business relative to the previous financial year. Although this business is still at the cultivation stage, it has shown strong development potential conducive to the Group securing different types of customers.

Dr. NG Man Cheuk, Alfred, Executive Director and Chief Technology Officer of SUGA, said, “The success of the electronics business hinges on innovation and technological development, thus players must hone their ability to innovate in this current keenly competitive global market if they are to sustain development. This is why we have actively invested in start-ups to help our business develop steadily in the challenging macro environment. The potential of IoT technology and Mobilogix’s business focus on IoT was taken into account, the exercise and signing of the shareholders agreement will strengthen our business relationship with Mobilogix, complement our IoT technology-related initiatives and present us with synergistic benefits, as well as a way to achieve vertical integration of our electronics products business. In the future, we will keep looking for development projects with potential to create long-term value for shareholders.”

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