



*[For Immediate Release]*

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## **SUGA Signs A Sublease Agreement and Plans to Expand the Scale of the Vietnam Factory to Meet the Increasing Demand for Orders**

**Suga International Holdings Limited** (“SUGA” or the “Group”), has announced that one of its indirect wholly-owned subsidiaries signed an agreement with Eco Industrial Park Company Limited. SUGA agreed to sublease the land located in the industrial park at Que Vo III Industrial Zone at Que Tan Commune, Que Vo District, Bac Ninh Province, Vietnam for a term of 39 years for a total consideration of approximately VND79.7 billion (equivalent to approximately HK\$26.3 million), which will be funded by the Group’s internal resources.

With a site area of 40,251.5 square meters, the land is also located in Bac Ninh Province where SUGA's factory in Vietnam is situated. To meet the strong demand for Vietnamese production from its clients, SUGA had rented over 6,000 sq.m additional space next to the existing factory covering more than 4,100 sq.m, thereby expanding the scale. SUGA planned to increase the production lines from two at present to four to six, which will be highly automated as well.

**Dr C H Ng, Chairman of SUGA**, said, “The commencement of operation at our Bac Ninh Province Factory in Vietnam in early 2019 has helped us respond to the effects of the Sino-US trade war and rising costs in Mainland China. We have received enquiries about the production of orders at our Bac Ninh Province Factory from some new customers, fully reflecting the competitive advantage of our Vietnam factory, especially under such an uneasy environment as impacted by the pandemic. As we envisage an ongoing increase in the demand for the production in Vietnam, we plan to utilise the land to construct an additional factory for our own use, so as to meet future operational demands. We will maintain close communications with customers, and allocate respective production resources in Dongguan and Vietnam appropriately to create long-term returns for shareholders.”

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