15 OCTOBER 2020

SUGA CONSTRUCTS NEW PLANT IN VIETNAM
TO STRENGTHEN PRODUCTION PRESENCE

Suga International Holdings Limited ("SUGA" or the "Group") has announced that it will construct a new factory in the industrial park at Que Vo III Industrial Zone at Que Tan Commune, Que Vo District, Bac Ninh Province, Vietnam at a consideration of VND108.4 billion (equivalent to approximately HKD35.8 million), which will be funded by the Group's internal resources.

Given the strong demand of US business partners which have been affected by the Sino-US trade war and other existing and new customers for more cost-effective production in Vietnam, SUGA had rented over 6,000 sq.m additional space next to the existing factory covering more than 4,100 sq.m. located in the Dai Dong-Hoan Son Industrial Park, Bac Ninh Province, Vietnam, thereby expanding the production lines to 16. As the management envisaged an ongoing demand for its production in Vietnam, the Group subleased the land from the industrial park at Que Vo III Industrial Zone at Que Tan Commune, Que Vo District, Bac Ninh Province, Vietnam at the end of April 2020 to construct another factory for its own use for 39 years for a total consideration of approximately VND79.7 billion (equivalent to approximately HK$26.3 million), which is also funded by its internal resources. The factory has a site area of 40,251.5 sq.m and the construction is expected to be completed by the end of April 2021.

Dr C H Ng, Chairman of SUGA, said, "We have received order inquiries from several new customers about production at the factory of Vietnam, which is particularly valuable to us during the pandemic, and fully demonstrates the competitive advantage of this factory. Upon the completion of the construction of the factory, we can further capitalize and cut down on the production costs. Looking ahead, we will maintain close communication with our business partners, to appropriately allocate production resources between Dongguan and Vietnam, and create an all-win situation."

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