

CSO-SCGPS65-041

July 18, 2022

To President,
The Stock Exchange of Thailand

Subject: SCGP enters into the Packaging Materials Recycling Business in the Netherlands

SCG Packaging Public Company Limited (or "SCGP") hereby announces the signing of a share purchase agreement along with the completion of 100% stake acquisition in Peute Recycling B.V. ("Peute"), an international packaging materials recycling company covering both recovered paper and plastic, based in Dordrecht, the Netherlands. Payment for the 100% stake is the immediate 78.19 million Euro (approximately 2,875 million Baht). This purchase is through SCGP Solutions (Singapore) Pte. Ltd., which is a wholly owned subsidiary of SCGP. Peute's financial performance will be consolidated from July 2022 onward.

This transaction would enable SCGP to expand into the rapidly growing international packaging material recycling business while also be an important pillar for SCGP's long-term strategic direction to strengthen all levels of packaging business from raw material sources, upstream and downstream production through to the integrated packaging solutions.

With the global surge of sustainability awareness, the demand for recycled contents has been expanding significantly and continuously. The prominent packaging materials recycling and sourcing capabilities from this transaction would allow SCGP to fulfil emerging demand of recycled materials which are driven by changes in customers and consumers' behavior. The ability to directly access the sources of recovered paper would also provide SCGP opportunity to enhance the efficiency of recycling operation in ASEAN with good practices of the advanced waste management model in Europe from the established player in its fields.

Peute is the largest independent packaging materials recycling and trading company of paper and plastic in the Netherlands with a strong relationship with customers for over 60 years. Peute currently poses the ability to competitively source 1.0 million tons per year of recovered paper (RCP) and 0.1 million tons per year of recovered plastics at their facility in Dordrecht with ongoing project to relocate the facility to Alblasterdam, nearby Rotterdam port, in order to double the sourcing capacity and improve cost efficiency. In 2021, the company recorded revenue of 249 million Euro (approximately 9,160 million Baht), profit of 3.2 million Euro (approximately 120 million Baht) with assets of 52 million Euro (approximately 1,930 million Baht) at the end of the year. Despite the recent European's economic situations, Peute is able to perform and continues its growth in the market (more details on Peute on www.peute.nl).

As SCGP has been continuously expanding the diversified and integrated packaging business, the key strategic raw material for fiber packaging operation is RCP. At present, SCGP's annual usage of RCP reaches 4.4 million tons and is expected to increase along with the expansion of packaging paper capacity going forward. The expansion will create competitiveness of SCGP in terms of RCP sourcing networks; through owned recycling stations, direct collection from primary sources and local suppliers, as well as diversified import sources from the USA, Europe, Japan and Oceania.

SCGP is committed to fulfilling and facilitating the increasing preference for sustainable packaging through products ranging from fiber packaging, performance & polymer packaging, and other outstanding solutions. Currently, the Company operates over 50 facilities across Thailand, Vietnam, Indonesia, the Philippines, Malaysia, the United Kingdom and Spain. SCGP is listed on the Stock Exchange of Thailand and has a current market capitalization of approximately \$6.3 billion (230,000 million Baht). Please click www.scgpackaging.com for further details.

The acquisition of new subsidiary would equal to 1.4% of total assets stated in SCGP consolidated financial statements as of March 31, 2022 and when combined with those in the past six months before the date of this transaction, the total size is 2.7%. Thus, the investment disclosure is not required under the disclosure rule for the acquisition and disposition of assets. This transaction is not a connected transaction.

Please be informed accordingly

Yours faithfully,

-signed by-

(Mr. Wichan Jitpukdee)

Chief Executive Officer

SCG Packaging Public Company Limited