Press release SCGP September 20, 2021

**SCGP investing in new production base in Northern Vietnam**

**Boosting integrated operations to meet growing packaging demands in ASEAN**

**SCGP is moving ahead with an expansion plan to create a new production complex in the north of Vietnam and establish a packaging paper production base within the complex with a total investment of over 11,793 million baht. Commercial start-up is expected early 2024, to integrate SCGP’s operations in Vietnam and meet challenges of the steadily growing packaging market.**

**Mr.Wichan Jitpukdee, Chief Executive Officer, SCG Packaging Public Company Limited, SCGP says:**“SCGP has launched a growth strategy in ASEAN, especially in Vietnam with its high growth potential.Since 2009 we have launched a strategic investment plan there by establishing packaging paper production based in the south of Vietnam through Vina Kraft Paper Company Limited (VKPC).Based in Bin Duong, the gateway to Ho Chi Minh City, the company is a 70:30 joint venture between SCGP and Rengo Company Limited (Japan).In 2016, VKPC doubled its original capacity in response to growing demands for packaging products in the region.”

“Moreover, SCGP has expanded our businesses by investing in various packaging operations in Vietnam, including packaging paper, fiber-based packaging, foodservice packaging, performance and polymer packaging.”

Vietnam has strong domestic consumption and is an important export base in the region, a big draw for multinational companies to invest their operations there, especially to the northern part of the country. The demand of packaging paper and related packaging products in Vietnam is expected to increase at approximately 6-7% per year during 2021-2024 (source: Frost & Sullivan).

In order to grow alongside other industries inside Vietnam and to meet increasing demands for packaging products, SCGP has decided to expand through Vina Kraft Paper by building a new major complex in Vinh Phuc; a strategically important area in the northern part of the country, as well as adding packaging paper production facilities to boost capacity by about 370,000 tons a year. The total investment amounts to 8,133 billion VND (approximately 11,793 million baht)inclusive of the project’s machinery, civil work, land, financial cost, working capital of state-of-the-art packaging paper production technology and infrastructures. The investment is currentlyunder Environmental Impact Assessment (EIA) process. We expect the plan to be completed and commercial production to begin in early 2024, and result in VKPC’s total packaging paper capacity of 870,000 tons per annum which will complement our expansion plan and boost our competitiveness for the future.

“SCGP has steadily invested in Vietnam with an expectation that our 2021 pro-forma annual revenue from sales will exceed 15,000 million baht (including the revenue from recent merger and partnership deals, which has been reported to the SET).Driven by SCGP's existing business model in Vietnam consists of broad horizontal offerings and deep vertical integration primarily located in the south of Vietnam, our new investment in this production complex will allow us to pursue growth opportunities in the north of Vietnam and the south of China.This new strategic complex will enable potential synergies among SCGP’s various businesses in terms of production efficiency and development of integrated packaging solutions, and help us meet the increasing demands for packaging products in the region.” concludes Mr. Wichan.

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