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**‘SCGL’ & ‘JWD’ announce merger to combine strength to leverage regional business expansion**

**Becoming ASEAN’s largest integrated logistics and supply chain service provider**

**SCG Logisitcs Management Company Limited (“SCGL”) and JWD InfoLogistics Public Company Limited (“JWD”), the two leading logistics and supply chain service providers at the ASEAN level together announced a crucial merger deal to form a “partnership” under the name “SCG JWD Logistics Public Company Limited (SCGJWD)” in a move to combine strength and increase the service level capability to become the largest “Integrated Logistics and Supply Chains Solutions Provider” in the ASEAN region with a wide variety of integrated services to cover all industrial groups to increase the opportunities for exponential growth derived from the customer bases of the two companies, while drawing up a strategy to expand the businesses in the ASEAN region.**

**Mr. Charvanin Bundikitsada, Chairman of the Executive Committee and Chief Executive Officer of JWD Pcl. (JWD),** revealed that the Company has moved ahead to merge the Company with SCG Logistics Management Company Limited (SCGL), which is a subsidiary of Siam Cement Public Company Limited (SCC), following the Company’s Board of Directors’ Meeting on October 26, 2022 resolving to propose to the shareholders’ meeting to consider and approve the merger between JWD and SCGL. In this merger transaction, JWD will issue new ordinary shares to the amount of not more than 791,020,363 million shares and offer them as private placements (PP) to the existing shareholders of SCGL at the price of 24.02 baht per share as compensation for the transfer of all SCGL ordinary shares in a “share swap”. Following the completion of the share swap, SCGL’s existing shareholders will hold shares in JWD in the proportion of not more than 43.7 percent of all JWD’s voting shares after the transaction.

In this regard, JWD will convene the Extraordinary General Meeting of Shareholders No. 1/2022 on December 8, 2022 at 1:30 p.m. at Banthat Thong Meeting Room, 6th Floor, JWD Store it!, after setting the record date to finalize the list of bona fide shareholders on November 10, 2022, to consider and approve the merger plan and the capital reduction and the increase of the Company’s registered capital to 905,510,153.00 baht from the original 509,999,971.50 baht through the issuance of new ordinary shares as previously stated. The merger transaction of SCGL and JWD is expected to be completed within Q1/2023.

Upon completion of the merger transaction, JWD will change its name to SCG JWD Logistics Public Company Limited with the SET-registered abbreviation of SJWD for share trading in the Stock Exchange of Thailand, The new Company will be managed jointly by Co-Chief Executive Officers (Co-CEOs) – Mr. Bunn Kasemsup, representing SCGL, and Mr. Charvanin Bunditkitsada, representing JWD. SCGJWD will proceed with the internal restructuring after the merger, when SCGJWD will accept the entire business transfers (EBT) of SCGL. This process is expected to be completed by the fourth quarter of 2023.

This merger combines the individual strengths of the two companies perfectly. These include JWD’s expertise in specialized products such as temperature-controlled goods, hazardous goods and automotive, etc., while SCG is the expert in industrial products such as steel & construction materials, paper & packaging, and consumer products, etc. This synergy will help to increase the capability to provide logistics services from upstream to downstream along with a large variety of service models covering warehousing, supply chain and multimodal logistics, as well as the opportunity to create more synergy in the future. Moreover, the customer bases of both parties do not overlap significantly, thus growth from expanded customer base of both parties and the acquisition of a large customer base from within the SCG group will help to maintain growth and effectively reduce business volatility.

In terms of cost and management, the merger will immediately make SCGJWD the largest integrated logistics and supply chain service provider in ASEAN. This will result in the expansion of the businesses, the integration of key support departments, as well as the promotion of the application of shared resources for maximum benefit.

The business opportunities that the two parties have planned together can be summed up in three parts: (1) Increased revenue from cross-sale and up-sale from the existing customer bases of SCGL and JWD along with more cost savings; (2) The creation of added value to the existing services that both parties are experts in, such as cold storage, automotive warehousing, hazardous goods storage and multimodal transport, etc.; (3) Seamless connection of all service bases in the ASEAN region through the application of successful business models in Thailand to foster growth abroad; (4) Provide D2C (Direct to Consumer) services to meet the changing customer needs through private storage for rent, logistics for eCommerce businesses, and express logistics; and, (5) Continuously improve the scope of services in new businesses such as industrial real estate and software development services for logistics management.

“This merger deal is a large and important undertaking that we have carefully considered to be in the best interest of shareholders. This move will enable us to grow robustly and sustainably in the challenging and volatile market conditions. Both JWD and SCGL are two perfectly fitted jigsaw puzzle pieces, with each having a different customer base that can strengthen the other. With the strong potential of SCGJWD, we will be able to create boundless and sustainable growth, and will be able to deliver the solutions that are truly a One Stop Service.”

**Mr. Bunn Kasemsup, Managing Director of SCG Logistics Management Co., Ltd.,** said the merger with JWD is considered to be the combination of expertise of the two leading companies in logistics businesses to further increase the service capability and ramp up the growth of the businesses. SCGL has the expertise in providing logistics and supply chain services for the industrial groups and various consumer goods that have been garnered by providing logistics services for companies in the SCG Group and general customers, as well as the continuous investment in the development of innovation and technology. These include the “control tower” logistics and supply chain management control, telematics system to track the data on the delivery routes and to forward warnings to drivers, the automated storage and retrieval system (ASRS), and others. At the same time, SCGL also runs Taksapipat School that is tasked with safe driving training for truck drivers and forklift operators.

Moreover, SCGL has businesses in many countries as a result of the business expansion to support the business development of the SCG Group, namely in Vietnam, Indonesia, Cambodia, Lao PDR and the Philippines. The company is capable of providing cross-border logistics services from Thailand through Lao PDR and Vietnam to China, and barge transport to neighboring countries such as Cambodia and Myanmar. Also in the portfolio is the international sea-borne shipping service that can merge with that of JWD’s to expand the scope of services to other countries in the ASEAN region.

SCGL has a plan to broaden the rail and air logistics services. Thus, upon the merger with JWD, we will be able to expand the network of multimodal transport services that will become much more comprehensive, to help optimize cost management and create added value for the business. This is important because the transportation of goods by ships and rail carries a lower cost than by road. The larger customer base will increase the opportunity in the hauling of both inbound and outbound cargo. In addition, more importance will be placed on sustainability, such as being “Green Logistics”, with the focus being on better care for the environment and society through the reduction of energy consumption including the use of electric transport vehicles (EV) and utilizing energy from solar roofs atop the warehouses, etc.

On the cooperation in the expansion of businesses abroad, we consider Vietnam, Indonesia and the Philippines as countries with high potential due to their above-average economic growth over and above the regional median. Therefore, there exists a need for warehouses and logistics service providers to support the expansion of the industries, while increasing the investment on the construction of more warehouses in these countries to foster regional growth.

“Upon this merger, we will become the leader in logistics and supply chain services, with the strength in providing the most comprehensive Integrated Logistics and Supply Chain Solutions in the ASEAN region, along with innovations and modern technology to carry out business operations. Also important is that we possess a strong brand recognition in both SCGL for its professionalism, and JWD for its experience in specialized logistics services. All these factors will enable us to become the business leader in the region,” Mr. Bunn concluded.

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