



BG Container Glass Public Company Limited

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- Translation -

28 February 2023

Subject: Resolutions of Board of Directors Meeting No. 1/2023 regarding the acquisition of assets
To: The President
The Stock Exchange of Thailand

According to the resolution of the Board of Directors of BG Container Glass Public Company Limited (the "Company" or "BGC") No. 1/2023 on 23 February 2023 which has resolved to approve BGC Packaging Company Limited ("BGCP"), a wholly-owned subsidiary of the Company, to purchase 8,000,000 ordinary shares of Prime Packaging Company Limited ("Prime") out of 8,000,000 outstanding shares, representing 100% of total issued shares at par value of THB 10 per share, with the paid-up capital of THB 80 million with non-related party. Prime is a manufacturer and distributor of flexible plastic packaging and plastic rolls. Total transaction value is approximately THB 580 million ("The investment in Flexible Packaging Business").

The entering into the foregoing transaction constitutes the acquisition of assets according to the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets (as amended) and the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposal of Assets, 2004 (collectively, the "Notifications on Acquisition or Disposal") per the following details:

1. Date of the transaction

On 23 February 2023, The Board of Directors of the Company has resolved to approve an acquisition of shares of the Prime in the amount of 8,00,000 shares or 100% of Prime's shares. The Company has signed in the Sale and Purchase Agreement on 28 February 2023.

2. Counterparty and relationships with the Company

Buyer: BGCP

Seller: Thamkongkha Family, Yong Family, and others ("Seller group")

Relationship: No relationship with the Company and a non-related party

3. Detail of the transaction

BGCP intends to purchase 100% of the Prime's issued shares from seller group, which transaction value for Prime ordinary share purchase is approximately THB 580 million.

4. Information on the asset acquisition

This transaction is considered as an acquisition of assets under the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551, Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, 2004 (collectively, the "Notifications on Asset Acquisition and Disposal") with the transaction size of 8.31%, which is the maximum transaction size calculated based on the net profit from operation basis, based on the consolidated financial statements of BGC for the period ended 31 December 2022 and the financial statements of Prime for the period ended 31 December 2021, details as follows:

Calculation Basis	Formula	Transaction size (%)
Net Tangible Asset (NTA)	$\frac{(361.48 \times 100\%) \times 100}{4,506.43}$	8.02
Net Profit from Operation	$\frac{(42.12 \times 100\%) \times 100}{506.61}$	8.31
Total Value of Consideration	$\frac{580.00 \times 100}{16,047.66}$	3.61
Value of Shares Issued for the Settlement	-	Not applicable as no shares issued for the settlement

Over the past 6 months prior to the Board of Directors Meeting's resolution to enter into the foregoing transaction, the Company did not invest in another project directly or via its subsidiaries. Therefore, this transaction is considered as an acquisition of assets with transaction size less than 15% according to the Notifications on Asset Acquisition and Disposal.

5. Details of the acquired asset

Prime Packaging Company Limited

Paid-up capital: THB 80 million, with total 8,000,000 issued shares

Address: 92 Moo. 2 Nong Chumphon Nuea, Khao Yoi, Phetchaburi

Nature of business: Manufacturing and distributing flexible packaging and film rolls

Historical Financial snapshot:

Unit: THB million	1 Jan – 31 Dec 2019	1 Jan – 31 Dec 2020	1 Jan – 31 Dec 2021
<u>Financial position</u>			
Total assets	394.80	399.09	460.88
Total liabilities	100.16	66.08	91.75
Owner's equity	294.64	333.01	369.13
<u>Operating results</u>			
Total revenue	372.43	388.99	407.88
Total costs	338.90	340.79	362.96
Financial cost	2.30	1.19	0.08
Income tax (payable) receivable	0.19	3.64	2.72
Net profit (loss)	31.04	43.37	42.12

Board of Directors of the Target Companies

Board of Directors of Prime prior to the transaction

Prime's Board of Directors currently consist of 6 members as follows:

1. Ms. Naiyana Thamkongkha
2. Mr. Yong Yuan Tan
3. Mr. Chai Yong
4. Mr. Yong Shao Hua
5. Mr. Yong Shao Ho
6. Mr. Yannatas Thamkongkha

Board of Directors of Prime after the completion of 75% share purchase

1. Mrs. Amarat Puvaveeranin
2. Mr. Silparat Watthanakasetr
3. Mr. Ardisak Boeprasert
4. Mr. Adisak Sukprasert
5. Mr. Chai Yong

Board of Directors of Prime after the completion of the rest 25% share purchase

1. Mrs. Amarat Puvaveeranin
2. Mr. Silparat Watthanakasetr
3. Mr. Ardisak Boeprasert
4. Mr. Adisak Sukprasert

Shareholding structure

List of shareholders prior to the share purchase

Prime's list of shareholders as of 30 April 2022:

Shareholders	Nationality	Share type	Number of shares (Par value of THB 10 per share)	%
1. Thamkongkha Family	Thai	Ordinary share	3,784,000	47.3
2. Mr. Yong Yuan Tan	Singaporean	Ordinary share	1,320,000	16.5
3. Others		Ordinary share	2,896,000	36.2
Total			8,000,000	100.0

List of shareholders post share purchase

Prime's list of shareholders after the completion of 75% share purchase:

Shareholders	Nationality	Share type	Number of shares (Par value of THB 10 per share)	%
1. BGC Packaging Company Limited	Thai	Ordinary share	6,000,000	75.0
2. Others		Ordinary share	2,000,000	25.0
Total			8,000,000	100.0

Prime's list of shareholders after the completion of the rest 25% share purchase:

Shareholders	Nationality	Share type	Number of shares (Par value of THB 10 per share)	%
BGC Packaging Company Limited	Thai	Ordinary share	8,000,000	100.0
Total			8,000,000	100.0

6. Total value of consideration

6.1 Transaction value

Total transaction value approximately THB 580 million for 8,000,000 ordinary shares of Prime, representing 100% of total 8,000,000 issued shares.

6.2 Payment method

Payment 75% of ordinary shares purchasing price will be made approximately by 31 March 2023 and the rest of 25% will be made approximately by 31 March 2025.

7. Value of the acquired asset

The Company will obtain 8,000,000 ordinary shares of Prime, representing 100% of total 8,000,000 issued shares, with the paid-up capital of THB 80 million, net asset value of THB 361.48 million as of 31 December 2021

8. Purchase price

BGCP set the purchase price of Prime approximately THB 580 million. The criteria for the determination of purchase price are as follows:

- A. Agreed price by the Buyer and Seller
- B. Evaluated the value through the use of 4 most commonly accepted valuation methodologies:
 - 1) Book Value Approach
 - 2) Adjusted Book Value Approach
 - 3) Relative Method Approach
 - 3.1 Price-to-Earnings Ratio Approach
 - 3.2 EV / EBITDA Ratio Approach
 - 4) Discounted Cash Flow Method

The Company used the Discounted Cash Flow as the primary method to determine the value of Prime. The Company also considered other potential benefits from the expansion of its packaging business by acquiring the shares of the target Company, which will fulfill the Company's target to become the 'Total Packaging Solutions Provider'.

9. Expected benefits from the transaction

The Company has the vision to become a 'Total Packaging Solutions Provider'. Therefore, in order to support its continuous growth in glass packaging business, which is core business as well as to increase its foothold in packaging businesses. The acquisition of Prime will build a strong foundation for the growth of plastics packaging unit as part of packaging business, which contributes to the Company's long-term business plan to become a total packaging solutions provider.



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The acquisition of Prime will enhance the Company's target of being a total packaging solution provider by strengthening the potential expansion of plastic packaging service, which promote and support the overall packaging business of the Company. Moreover, The Company expects an increase in sales revenue through meeting the existing customers' need, which could potentially have a demand of different types of packaging as well as to expand its network to reach untapped markets through Prime's existing clients.

10. Sources of fund

The Company will loan from local financial institution, in which the Company anticipated that is there will be no effect to the shareholder rights.

11. Terms for transaction execution

- None -

12. Opinions from the Board of Directors regarding the transaction

The Board of Directors Meeting No. 1/2022 on 23 February 2023 has passed a resolution to approve the investment in Flexible Packaging Business as well as expressed their opinion that the transaction is beneficial to the Company as the acquisition price is appropriate and the asset acquisition will create an opportunity for the Company to expand and grow sustainably.

13. Opinions from Audit Committee and/or Directors which are different from the Board of Director's

According to item 12, no director has different opinion from the Board of Directors of the Company.

Please be informed accordingly.

Sincerely yours,

(Mr. Silparat Watthanakasetr)

Chief Executive Officer