Summary of Q&A – Q1/17 SCC Analyst Conference

1) Why did the Q1/17 chemicals poly-olefins sales volume drop y-o-y?

   Considering the thin downstream margin, it made more sense to export the olefins products, while the cracker ran at full utilization rate.

2) What is the latest development of the Chinese producers using CTO technology?

   This is not quite clear yet, as we need to keep an eye on their progress.

   However, regulations are tightening and plants that are in compliance with regulations are not allowed to start up.

3) In accordance to the accounting definitions of the Ministry of Commerce, are all FX gain / loss booked as other income / expense?

   Yes, this applied for both realized and un-realized FX gain / loss.

4) For the packaging operations, what are the price trends?

   We expect prices to move up 8-10% on higher raw material prices.

5) Could you please share more details on the newly acquired cement plant in central Vietnam?

   Sales in Mar/17 were consolidated the plant is running at +80% utilization rate. The central Vietnam region is well balanced, and we have a market share of approximately 15%.

6) What is the outlook of EDC prices and how are Asian PDH operators doing?

   Q1/17 EDC prices moved up at a faster rate than anticipated on supply shortage, but we expect this to normalize in Q2/17. Asian PDH operators have yet to ramp up their operating rates in 2017, but any increase in supply will be matched by demand growth.

7) The chemicals business' non-recurring asset sales was from where? In general, what is the chemicals outlook?

The non-recurring asset sales was the sale of shares in PTTGC.

In terms of overall chemicals outlook, we expect margins to remain at the high levels for the rest of 2017, followed by some softening in 2018-2019, and followed by renewed high levels again in 2020-2022.

8) What is the domestic Thai cement outlook? And what efforts will be taken when markets are soft?

There are numerous factors to consider, such as expectations for the government's provincial budget that will be allocated to contractors in mide-2017, the gradual return of farmers' purchasing power via higher corn and rubber prices, while the southern region's post-Q1/17 flood rebuilding efforts will be minimal at best. At the same time, the expected H2/17 demand from the government's infrastructure projects will occur, but direct cement demand is minimal. Under these circumstances, the H1/17 market outlook remains weak, and our efforts are to keep prices at current levels or even increasing it slightly.

9) What is the strategy for the cement business in ASEAN, despite slowing markets and increasingly aggressive competitors?

The long term market growth potential for ASEAN markets is positive, particularly in Vietnam. Our strategy is to focus on the cost to market which incorporates both production and logistics costs. This is in addition to launching new product offerings and locking into the most competitive distribution channels.