

Summary of Q&A – Q2/17 SCC Analyst Conference

- 1) How will the flexible feedstock configuration of the Long Son Petrochemicals (LSP) Complex be managed operationally?

The decision to use either gas or naphtha will be based on the overall economics and pricing of each feedstock. A total input will be approximately 2.5 MT of either gas or naphtha, while the suppliers of the gas and naphtha are long term base and market linked pricing.

The ethane gas portion will amount to approximately 10% of the total feedstock requirement, will be sourced domestically in Vietnam.

- 2) How do we manage the risk of the project delay for LSP, and what about financing?

With a major stake of 71% in LSP, we are able to manage the project and move forward.

In terms of financing, the decision will be finalized at the end of 2017. During the interim, we are looking at options of long term US\$ based debt, comprised of both export credits and commercial banks loans.

- 3) Could you provide further details on LSP's end products and market destination?

LSP's upstream plant will be fully integrated into the downstream operations of similar configuration, whereby the majority of the products will be sold domestically in Vietnam.

- 4) What is the chemicals outlook for H2/17?

Additional capacity from the US-based crackers will ramp up the following year in 2018, and is expected to be managed in an orderly manner by Western producers.

- 5) What is the domestic Thai cement outlook for H2/17? How about the drop in cement export prices. Any detail on where the EBITDA margin continues

In light of the -7% y-o-y drop in domestic sales volume in H1/17, and the forecasted softness in H2/17, the FY2017 domestic Thai cement demand is expected to be negative. The key driver continues to be the government's infrastructure projects, while the main concern remains to be the up-country residential segment.

For the export price of cement, the q-o-q drop is related to change in product mix towards the lower priced clinkers.

6) What has led to the decline in the EBITDA margin for the cement business?

This is attributed to increased production cost pressures, and flat prices across ASEAN.

7) What is the update on the Chandra Asri Petrochemicals study on capacity expansion?

We expect this study to take at least one year to complete.