Summary of Q&A – Q3/18 SCC Analyst Conference

Cement – Building Materials

1) **Had there been no asset impairment, what would have been the EBITDA margin for the Thai structural products?**
Without the impairment, the EBITDA margin would have been 19%, compared to the 15% in the presentation.

2) **Has the strategy changed, in light of the asset impairment?**
This has not changed, as prior to this, the intention was to remain asset light, and invest in retail related expansions.

3) **Will there be further asset impairments from Indonesia?**
The asset impairment was related to goodwill, and reflect the price that we paid for the assets in the past. This assessment shall be done annually.

4) **Why has the HVA percentage declined?**
Within the HVA portfolio, there are certain products which has dropped out, as it has been commoditized. In the future, there will be efforts to introduce new products and service solutions that are HVA related.

5) **What opportunity has arisen from the US China trade war?**
In light of the trade war, there is an opportunity to export cement, building materials, and ceramics to the USA, while the margins are attractive due to the higher tax barriers against the Chinese producers.

6) **Could you provide more details on the Boonthavorn JV?**
The strategy is for synergy between SCG and Boonthavorn, especially in the areas of installation services.

Chemicals

7) **What does SCG see in terms of end demand for chemicals products?**
The customers' inventory level is somehow at the minimal level, and buying activity has to resume. Price war has been negative to the market but also open for opportunity to new markets as well.

8) **In Vietnam, how will SCG get the power and steam for the LSP complex?**
We are not power producers and will offtake from a local power producer on a long term contract basis.

9) **What caused the price of C2 to drop?**
From downstream lower margins, we mainly attribute this to the short term "musical chair" sentiment, and expect it to resume to a normalized equilibrium.

10) **Where do margins go from here, and how bad will it get?**
We do not expect margins to drop to the levels seen in 2012, which was the trough. In fact, our piping grade PE continues to sell at a premium, while we are introducing newer HVA products to the market such as SMX technology.

Corporate

11) **In light of the 6 measures taken proactively, is it still possible that SCG will continue to pay dividends?**
The dividend policy remains at 40-50% of earnings.

12) **What concerns are of greater concern? Cost pressure or demand related.**
It is cost pressure related, especially oil/naphtha.