

Summary of Q&A – Q2/19 SCC Analyst Conference

Cement – Building Materials

1) Is there any comment on the news that SCG has less interest in Indonesia?

Our level of commitment in Indonesia remains, and position Indonesia as a key strategic country. SCG's cement plant has a small-medium capacity, and it allows SCG to complement our full chain of product offerings.

2) What is the impact to cement sales, as a result of the expected Thai government budget delay?

The emphasis is on the rail projects, which is expected to be accelerated in the coming quarter. At the same time, current non-rail projects are abundant, while we are keeping an eye on the retail / commercial segments.

Chemicals

3) What is the crackers supply outlook in 2020?

We are monitoring the previously delayed capacity, in addition to the recently announced new capacity of 10 MT. As a result of the new equilibrium in new supply and stabilized demand, we expect the market to settle down at a new level. At the same time, the full extent of the US-China trade war impact has yet to be seen.

4) Is there any update of Chinese operators in Vietnam?

To our knowledge, LSP is the only company which has received approval from the Vietnam government to begin construction of a petrochemicals complex. What we are aware of is some PP capacity from Korean companies, with PDH.

5) Any update on the study of CAP2?

It is an ongoing study, and SCG is fully committed towards it. Since CAP is a listed company, further details will be disclosed accordingly.

6) What is the cost differential between N. American and Asian crackers?

We estimate that the N. American crackers have an approximate \$250-\$300/ton advance. However, this advantage is already here, and there is limited upside to this.

Corporate

7) When SCG lists its subsidiaries, what is the primary object? Is it based on strategy/financial or benefit to the shareholders?

It is both strategic/financial and benefit to shareholders. On the study to raise equity for the packaging business, there is no conclusion on this yet, and will be finalized towards the end of this year.