

**SCG Announces Operating Results for Q1/2019, Builds Stronger Growth,
Placing More Focus on Packaging Business and Cement-Building Materials' Retail Arm**

BANGKOK: 29 April 2019 – SCG announces Q1/2019 Operating Results and is ready to exponentially accelerate growth strategy, especially the Packaging Business and retail offshoot of Cement-Building Materials Business which display a consistent growth track. The overall operating results show an increase in profits of 11% q-o-q but dropping 6% y-o-y, primarily due to oil price fluctuations and global economic slowdown.

Mr. Roongrote Rangsiyopash, President and CEO of SCG, disclosed that the Company's unaudited Operating Results for Q1/2019, with registering Revenue from Sales of 112,379 MB, a decrease of 4% q-o-q and 5% y-o-y, mainly from lower chemicals product prices due to weak global demand. Meanwhile, Profit for the Period reached 11,662 MB, an increase of 11% q-o-q chiefly thanks to all businesses performed better than the previous quarter but decreased 6% y-o-y mainly due to the decline in performance of Chemicals Business in light of decreased product margins.

SCG's Revenue of High Value-Added Products & Services (HVA) Sales for Q1/2019 reached 45,464 MB, close to that of the previous year, and accounting for 40% of the total Revenue from Sales. The Company's spending on Innovation Research & Development totaled 1,439 MB or 1.3% of total Revenue from Sales.

The Q1/2019 Performance of SCG's Businesses Outside of Thailand.

SCG's Revenue from Sales in ASEAN registered 26,784 MB, representing 24% of SCG'S total Revenue from Sales, which is a drop of 1% y-o-y. Furthermore, 15% of total Revenue from Sales or 16,966 MB was from other regions outside of ASEAN.

The total assets of SCG, as of March 31, 2019, amounted to 598,386 MB, while 27% represented assets in ASEAN.

The Q1/2019 operating results by business units are as follows.

Chemicals Business recorded Revenue from Sales of 46,240 MB, a reduction of 14% q-o-q and 13% y-o-y from lower product prices. Profit for the Period totaled 6,106 MB, up 13% q-o-q as the previous quarter was impacted by inventory loss but decreased 25% y-o-y as a result of lower product margins.

Cement-Building Materials Business recorded Revenue from Sales of 48,310 MB, a rise of 6% q-o-q and 4% y-o-y due to the contribution of the Thai grey cement sales. Profit for the Period amounted to 3,040 MB, an increase of 95% q-o-q and 22% y-o-y.

Packaging Business recorded Revenue from Sales of 21,127 MB, a decline of 1% q-o-q and 4% y-o-y by reason of lower sales volume of Packaging chain. Profit for Period stood at 1,681 MB, up 13% q-o-q and 11% y-o-y thanks to improvement in cost management by streamlining manufacturing efficiency, maintenance and implementing cost-cutting schemes.

Mr. Roongrote said, "All SCG business units continue to apply core strategies to build healthy growth and stay tactful to act promptly when needed to handle challenges. The Packaging Business aims at becoming the Total Packaging Solutions Provider by establishing more packaging production base in ASEAN, especially in markets with constant growth opportunities, and developing innovations and technologies to add value to products, services and production process to fulfill the needs of enterprises and consumers' consumption. SCG is also driving the Circular

Economy in line with the SCG practice “SCG Circular Way” aiming to maximize the efficient resource utilization, the recycling of waste materials and the reduction of materials used in production process yet maintaining excellent product properties. Examples include the newly developed paper straw built to last up to 4 hours that are safe for everyone, the fibro zeal coated paper bag, and the mono-material plastic packaging manufacturing process.

Cement-Building Material Business, SCG, has joined hands with specialist business partners to enhance its growing retail business, equipping franchise dealers, i.e., SCG Home - Boonthavorn and SCG HOME SOLUTION with greater ability to satisfy the needs of homeowners and technicians. Customers can enjoy an integrated digital purchase platform that allows them to buy, browse and calculate the prices of over 10,000 items, resulting in double sales growth. These efforts are set to shape “SCG Home,” a platform that combines online and offline data where customers can search and browse a comprehensive array of home products and services anywhere, anytime that fulfill the needs of everyone in the family. Examples encompass “SCG Smart Living” for comfortable home living with IoT technology and energy-saving SCG Solar Roof solutions for home and parking garage. Those interested can visit our booth at “Architect Expo ’19” to check out SCG’s innovations between 30 April to 5 May at the Challenger Hall, IMPACT Muang Thong Thani.

Besides, SCG, led by SCG International, has fostered international trade by forging more partnerships with its modern technologies to create total solutions and improve logistics business that meet the needs of both ASEAN and Southern China market.

In addition to LSP Petrochemical Complex project in Vietnam that is moving forward as planned, Chemicals Business has accelerated innovative development on its High Value Added Products & Services (HVA) to meet the needs of the customers and industries. A profound example is a collaborative effort with the Provincial Waterworks Authority to develop Submarine Water Pipeline to Koh Samui for the first time in Thailand. The project helps alleviate water scarcity and improve the living quality of the local. The pipes used in the project is made from world-class PE112 innovative compounds developed by SCG. The pipeline employs greater pressure resistance.

Furthermore, SCG focuses on forging more business partnerships to promote the Circular Economy. It has collaborated with CP All and Dow Thailand Group to transform plastic wastes collected from the office, distribution center, and 7-eleven stores into asphalt mixtures to improve road efficiency in the convenient store areas.

Besides, SCG is advancing the adoption of digital technology to boost business efficiency. For the first time in the world, SCG adopted Blockchain Corda R3 digital platform to streamline Procure-to-Pay system with vendors. Such move made a great leap forward, especially in Chemicals Business and Packaging Business as the platform is conducive to up to 70% cost reduction in procurement and payment processes. As a result, SCG won several awards for the adoption ranging from Asset Triple A Treasury, Trade, Supply Chain and Risk Management Awards 2019 for Best Supply Chain Solution, presented by The Asset, Asia's leading financial magazine, and Gold Awards Excellence in Automation from 21st Asian Shared Services & Outsourcing organized by Shared Services & Outsourcing Network (SSON), the largest global community for Shared Services and Outsourcing professionals. SCG also has plans to incorporate Blockchain into other areas aimed at providing greater convenience for vendors to buy products from SCG,” concluded Mr. Roongrote.
