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***Press Release***

**SCG Announces Operating Results for Q1/2020, Joins Fight Against COVID-19 Crisis;**

**Revamps Strategies and Takes Proactive Steps in Bid to Navigate Society, Partners, Employees, Through COVID-19 While Bracing for Challenges to Come**

***BANGKOK: 29 April 2020 – SCG announces Q1/2020 Operating Results, showing similar revenue figures to the previous quarter, and unveils to navigate the society, partners and businesses through COVID-19 crisis with a proactive and solid business continuity management plan coupled with strict adherence to the government’s instructions. The company has harnessed digital technology to deliver products, services, and solutions in a manner that is convenient and safe for consumers, intertwining with its strategic preparedness plan to mitigate disruption impacts and capture new opportunities amid soaring demand at speed. With a robust financial position, SCG has braced itself for challenges to come.***

**Mr. Roongrote Rangsiyopash, President and CEO of SCG,**disclosed, “**The Company’s unreviewed Operating Results for Q1/2020** registered Revenue from Sales of 105,741 MB, a decrease of 6% y-o-y, mainly from lower chemicals prices due to weak global demand. However, the revenue figure was similar to the previous quarter, with increased revenues from cement-building materials and packaging businesses offsetting decreased revenues from chemicals business. Meanwhile, Profit for the Period reached 6,971 MB, a decline of 40% y-o-y and 2% q-o-q due to the decline in performance of the Chemicals business in light of decreased product margins.

In Q1/2020, SCG’s **Revenue of** **High Value-Added Products & Services (HVA)** Sales reached 46,120 MB, accounting for 44% of total Revenue from Sales. The HVA sales gained 1% y-o-y and 10% q-o-q. The Company’s spending on Innovation Research & Development totaled 1,372 MB or 1.3% of total Revenue from Sales.

Besides, SCG’s **Revenue from performance businesses outside of Thailand, including export sales** **from Thailand**for Q1/2020 registered 44,859 MB or 42% of total Revenue from Sales, an increase of 3% y-o-y. Of which, SCG’s Revenue from export sales from Thailand registered 24,319 MB or 23% of total Revenue from Sales, down 9% y-o-y.

**The total assets of SCG, as of March 31, 2020, amounted to 708,931 MB, while 34% represented assets in ASEAN.**

**The Q1/2020 operating results by business units are as follows.**

**Chemicals Business** recorded Revenue from Sales of 38,329 MB, a reduction of 17% y-o-y due to lower product prices and sales volume, and a dip of 7% q-o-q. Profit for the Period totaled 1,778 MB, down 70% y-o-y, primarily as a result of lower equity income from associates and lower product margins, and a decrease of 37% q-o-q also from lower equity income from associates.

**Cement-Building Materials Business**recorded Revenue from Sales of 46,245 MB, a drop of 4% y-o-y, attributing to lower sales in domestic market, but up 2% q-o-q on seasonality. Profit for the Period amounted to 2,778 MB, a decrease of 2% y-o-y but a gain of 113% q-o-q.

**Packaging Business**recorded Revenue from Sales of 24,267 MB, up 15% y-o-y owing to the consolidation of Fajar and Visy Thailand, and the internal efforts to proactively engage and serve customers to meet market challenges. The revenue rose 5% q-o-q. Profit for the Period in Q1/2020 registered 1,732 MB or growth of 7% y-o-y and 45% q-o-q.

Mr. Roongrote said, "Amid the hostile environment, global economies are being affected by COVID-19 pandemic. SCG is among companies putting its best effort to maintain the operating results of Q1/2020 close to the previous quarter, albeit the impacts of COVID-19 on businesses emerged in March, to help the society, partners, employees, and businesses go through difficult times. The company has a strong dedication to proactively and promptly keeping the business up and running with a solid business continuity management plan, along with an intensive prepared disruption response plan and strict adherence to the government's health and safety measures. The company has leveraged digital technologies to assist over 90% of employees at the office to work from home and streamline end-to-end supply chain management ensures the delivery of products, services, and solutions to customers in a convenient and safe manner. The company also seeks new opportunities to serve evolving needs, e.g., shifting sales to online platforms or considerably catalyzing the use of Blockchain for procurement, invoicing, and payment with partners. Plus, it continues to maintain strong financial positions and stay attuned to challenges if the situation is prolonged.

**Packaging Business** remains able to provide customers with integrated packaging products and services in a prompt and timely manner to meet their evolving needs, especially a surge in food delivery and online shopping. To address safety concerns, hygiene practices for packaging manufacturing and transportation is put in place to ensure maximum customer confidence. The approach also applies to factory management in Thailand, Vietnam, and Indonesia to ensure streamlined and safe manufacturing processes in response to market demand. Plus, the company works closely with business customers to optimize sales strategies to adapt to a flexible yet consistent product and service delivery in line with the current circumstances. This includes easing some operational limitations and barriers to ensure business customers remain up and running.

**Cement-Building Materials Business** accelerates the retail e-commerce platform of SCG Home by enhancing active omni-channel capabilities in different sales channels: website, application, and social media, and offering home delivery nationwide on top of online home consultation services. With web-enabled retail services, customers can browse products and receive services without leaving their homes. As a result, the online sales via SCG Home skyrocketed compared to the previous quarter. Customers will also be exclusively provided with proactive hygienic and safety practices for installations, other services, and logistics. Besides, SCG Logistics and SCG Express also established stringent measures from item dropping off, warehousing, to product delivery to ensure safety along with added service of fresh grocery delivery, e.g. vegetables and fruits, which is now in high demand. The company also shares knowledge and practices to reduce the risk of COVID-19 to partners in construction industries, including developers, contractors, technicians, and dealers to help all parties overcome the crisis together.

**Chemicals Business** focuses on adapting business strategies aiming at cost reduction and increased competitiveness in the volatile and challenging environment. It realigns the proportion of plastic resin sales to meet the changing demands by leveraging its strength of extensive customer networks around the globe to boosts sales opportunities in less affected spaces, such as food packaging and delivery packaging. Furthermore, it amps up proactive measures in hygienic controls against COVID-19 to keep high standard of business operation. Examples include applying stringent measures to maintain good health of employee and partners and make the complexes in Rayong as “Zero COVID-19 Zone”, adjusting the value chain to ensure consistent and safe product and service delivery, and accelerating the development of HVAs. Furthermore, the business also puts drought situation in Rayong on priority and is fully cooperating with the government by taking approach to effectively reduce water usage and adopt water management plan. The efforts are to ensure that the company can effectively best fulfill the customers’ needs at present and in the future.

In an effort to provide public assistance, SCG has leveraged its expertise, innovations, and technologies in a collaborative effort with medical doctors and experts in developing a series of COVID-19 prevention innovations to be the solution to the pandemic in a timely manner. The innovations are designed to reduce infection risk among healthcare workers who are a crucial force in caring for patients. The innovations include Modular Screening & Swab Unit developed by SCG HEIM and Living Solution technology, Mobile Isolation Unit created by Chemicals Business. Apart from 50-million Baht worth of COVID-19 preventative innovations donated to many hospitals in need by SCG Foundation, donations from donors and many foundations are rolling in to help the country get through the crisis.

In this regard, the Board of Directors’ meeting has agreed to postpone the 2020 Annual General Meeting to 8 June 2020, from 9.00 a.m. onwards at Multipurpose building, SCG Head Office at Bang Sue. The meeting will strictly adhere to the government’s measures by limiting the number of participants. We would like to ask for the shareholders’ cooperation to grant a proxy to independent directors and comply with screening measures prior to the meeting. The measures will also include implementing hygiene and safety protocols and practicing social distancing throughout the meeting,” concluded Mr. Roongrote.

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