***Press Release***

**SCG Announces Robust Operating Results for Q3/2020, Showing Stronger Y-O-Y Performance   
Thanks to Strong Recovery in Chemicals Market, Resilient Packaging Business,**

**Increase in proportion of HVA; Ready to Leverage Business Agility and Thrive**

***Bangkok: 29 October 2020 – SCG reported its operating results with a 57% growth in profit for Q3/2020 y-o-y, primarily due to the recovery in the global chemical market, an increase in the proportion of HVA products, the strong business model of the Packaging Business, and business transformation efforts of Cement-Building Materials Business to better meet customer demands. SCG is well on track to achieve more growth despite the COVID-19 pandemic challenges. The business will continue developing HVA innovations, products and services, and   
end-to-end solutions to prepare for a market upturn and build long-term growth.***

**Mr. Roongrote Rangsiyopash, President and CEO of SCG,** disclosed, “The Company’s unreviewed Operating Results for Q3/2020 registered the Revenue from Sales of 100,938 MB, an increase of 5% q-o-q. Meanwhile, Profit for the Period totaled 9,741 MB, up 4% q-o-q due to the better Chemicals Business on the back of improving demand in China and Asia in general, and improved performance in Cement-Building Materials Business.   
 Compared to last year performance, Revenue from Sales dropped 9%, while the Profit for the Period rose significantly by 57%, thanks to better Chemicals performance, High Value Added Products & Services (HVA) and efficiency improvement seen in Cement-Building Materials Business.

**As for Operating Results for the first 9 months of 2020**, SCG registered Revenue from Sales of 302,689 MB, a fall of 9% y-o-y, due to decreased chemicals selling prices in-line with the drop in oil prices. Profit for the Period totaled 26,096 MB, up 5% y-o-y, as a result of increased contributions from Cement-Building Materials and Packaging businesses. The overall business has remained agile and responsive. Technologies are adopted to streamline the entire supply chain.

SCG has revamped HVA products and services' strategy by strengthening the criteria to increase competitiveness in the global market and maintaining the agility to stay relevant to the rapidly-changing needs to maximize profitability. Under the new standards, **SCG's Revenue of High Value-Added Products & Services (HVA)** **Sales** for the first 9 months of 2020 amounted to 93,593 MB or 31% of total Revenue from Sales.

Besides, **SCG’s Revenue from performance businesses outside of Thailand, including export sales from Thailand** in the first 9 months of 2020 registered 128,937 MB or 43% of total Revenue from Sales. The figure was slightly lower than the number in the previous year.

**The total assets of SCG, as of September 30, 2020, amounted to 723,147 MB, while 38%represented assets in ASEAN.**

**The Q3/2020 and the first 9 months of 2020 Operating Results by business unit are as follows:**

**Chemicals Business** recorded Q3/2020 Revenue from Sales of 37,748 MB, down 14% y-o-y due to decreased products prices but up 9% q-o-q, owing to increased product prices. Profit for the Period totaled 5,488 MB, increased by 80% y-o-y from lower feedstock cost and 20% q-o-q, mainly from higher equity income from associates, higher PVC spread, and inventory gain.

In the first 9 months of 2020, Chemicals Business recorded Revenue from Sales of 110,835 MB, a decrease of 19% y-o-y, attributable to lower products prices. Profit for the Period totaled 11,830 MB, a drop of 7% y-o-y, mainly from dropped in equity income.

**Cement-Building Materials** **Business** recorded Q3/2020 Revenue from Sales of 42,685 MB, down 6%   
y-o-y due to weak demand from COVID-19 lockdown measures and was flat q-o-q. Profit for the Period totaled 1,894 MB, up 176% y-o-y, from efficiency improvement, but down 3% q-o-q on seasonality.

In the first 9 months of 2020, Cement-Building Materials Business recorded Revenue from Sales of   
131,436 MB, a decrease of 6% y-o-y, owing to weak demand from COVID-19 lockdown measures. Profit for the Period totaled 6,616 MB, an upturn of 59% y-o-y as a result of continuous efficiency improvement and lower energy cost.

**Packaging Business** recorded Q3/2020 Revenue from Sales of 23,287 MB, a decrease of 5% y-o-y as a result of COVID-19 pandemic, but up 8% q-o-q, due to continual growth of demand in essential products,   
a recovery in export volume and a slight recovery in demand of durable goods such as Electronics and Electrical products and automotive industry. Profit for the Period stood at 1,335 MB, a drop of 9% y-o-y and 30%   
q-o-q primarily due to unrealized foreign exchange loss stemming from Indonesian Rupiah fluctuation (after tax and non-controlling interest) amounting to 111 MB.

In the first 9 months of 2020, Packaging Business recorded Revenue from Sales of 69,190 MB, up by 5% y-o-y, mainly attributed to the continual growth in consumer and essential products with business expansion both in Thailand and ASEAN especially from the acquisition of packaging paper company in Indonesia and flexible packaging company in Thailand. Profit for the Period totaled 4,971 MB, an increase of 22% y-o-y.

Mr. Roongrote said, “The operating results for Q3/2020 and the first 9 months of 2020 achieved favorable growth despite the COVID-19 pandemic, thanks to the recovery in the chemical market and notable HVA product improvements seen in agricultural, automotive, and durable goods sectors. Packaging Business’ unique business model offered end-to-end solutions to achieve quality growth. Plus, business transformation efforts have enabled the company to move swiftly and stay ahead of the curve. Such efforts have brought about a series of enhancements to its products and services with end-to-end solutions, Active Omni-Channel, High Value Added Products & Services (HVA), and products that align with the Circular Economy. Besides, SCG has maintained a state of readiness to explore business opportunities, prepare for a market upturn and build long-term growth trajectory.

The COVID-19 pandemic has caused economic distress at a massive scale. While our operating performance remains strong, SCG is concerned about the situation; thus, it has taken part to help the public. Recently, SCG has taken a role to facilitate cooperation between the Thai government, Oxford University, and AstraZeneca to develop the COVID-19 vaccine to ensure that Thai people will get the first batch of COVID-19 vaccine in the first half of next year. The move is to help increase confidence and restore the Thai economy.   
SCG Foundation has contributed 100 million Baht to domestic vaccine research development. SCG also partnered with various networks to keep medical professionals and the people safe with the provision of COVID-19 innovations such as Modular Swab Unit, Patient Isolation Capsule, to over 1,000 hospitals and healthcare units nationwide.

To fight the economic crisis, SCG has supported career development for high demand jobs by offering   
a series of training courses with its partners. Examples include technical professional training with PROBUID Professional Builder Institute, agricultural professional training promote farmers’ income-generating opportunities with Siam Kubota, and digital and technology skill development for young people with SCG Foundation.

**Chemicals Business** has thrived thanks to an upswing in agricultural, automotive and durable goods industries and regional economy in Q3/2020. Chemicals Business will continue to expand the proportion of High Value Added Products & Services (HVA) to increase the competitiveness in a recovering market and focus on product development to address the Circular Economy principle. Examples include superior plastic resin for   
mono-material flexible packaging, special plastic resin to enhance properties and allow higher mix of recycled resin and high-quality post-consumer recycled resin to promote recycling and cater to the brand owners' needs. Meanwhile, the Business has maintained a flexible production management system to fulfill the market demand along with business continuity management to ensure resilient business operations in Thailand and overseas.

The MOC Debottlenecking project has reached 97% completion as planned, where the project can expand the olefins capacity by 350,000 tonnes per year. Long Son Petrochemicals Co.LTD (LSP) in Vietnam is on track and progressing as planned. The project is under construction, and it has achieved 55% completion.

**Cement-Building Materials Business**has secured continued growth in end-to-end service solutions. Among them is **CPAC Construction Solution** that leverages advanced technology and SCG’s high-quality products and expertise to provide end-to-end construction solutions that meet customer demands. One of the milestones is a large-scale mat foundation concrete pouring project for One Bangkok, with the total amount of concrete of 27,300 cubic meters, marking the largest continuous mat foundation concrete pouring in Thailand and Southeast Asia. Another productive offering is **Lifetime Solution**, which facilitates comprehensive building and infrastructure maintenance and repair services.The service is set to expand the coverage to ASEAN. **SCG Solar Roof Solution** delivered a four-time revenue growth compared to last year, and has continued to grow as the solution can help save customers up to 60% electricity costs.

The Business continues to strengthen its retail channel via Active Omni-Channel, which connects the online store, SCGHOME.com, with the 17 offline retail franchise shops SCG HOME nationwide. This approach enables customers to digitally and physically access products and installation services. SCG has recently partnered with Boonthavorn to build up home-related design solutions, home improvements, supply chain management, and expand the business in Southeast Asia. In addition, the Business has worked closely with its distribution networks to gain more market insights in different areas in order to capture greater market share. As a result, the retail and distribution business has recorded 13% growth y-o-y.

Furthermore, SCG will continue its commitment to accelerating the circular economy by using rice straw, cane leave, and corn cob pulps as alternative fuels for cement production. The approach will help reduce PM2.5 and greenhouse gas emissions and the import of fossil fuels from aboard while increasing farmers’ income.

Meanwhile, the cement factory Mawlamyine Cement Limited (MCL) in Myanmar has temporarily suspended production as a result of a dispute with the local partner about raw material sourcing. Minimal impact on SCG’s financials and operations is expected.

**Packaging Business** has continuously remained strong. On 22 October 2020, SCGP debuted shares on the Stock Exchange of Thailand (SET) and closed at 35.00 baht, marking a significant milestone of SCGP as a public company which will help strengthen the SCG’s overall financial position for future business expansion. Besides, SCGP is in the process of acquiring a majority stake of Bien Hoa Packaging Joint Stock Company (SOVI) in Vietnam to fortify its position and competitiveness in ASEAN and holistically address customer needs.   
The transaction is expected to complete within December this year. SCGP is committed to enhancing an   
eco-friendly product portfolio by introducing alternative market choices such as OptiSorb-X to preserve the packaged content and expand shelf life.

SCG and network partners will hold **SD Symposium 2020 Circular Economy: Action for Sustainable Future** to speed up a transition to the circular economy by emphasizing four resource efficiency areas: **1) water recycling, 2) agricultural productivity enhancement with technology, 3) waste management, and 4) construction industry.**   
The practice guideline will be presented at an online symposium on 9 November 2020, 13.30-15.30 hours (GMT+7) at [www.sdsymposium2020.com](file:///D:\SCG%202020\EBMO\แถลงผล%20Q3_2020\Press%20Release\www.sdsymposium2020.com)

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