***Press Release***

**SCG Announces Strong Operating Results Despite COVID-19, Attributable to Employee’s Dedication,**

**Active Approach, Agility and Use of Digital Technology to Fulfill Market Needs**

***Bangkok: 28 January 2020—SCG recorded higher profits in 2020 than last year despite the COVID-19 crisis’s constraints. The success was driven by the dedication of all SCG employees who rigorously complied with strict COVID-19 measures combined with operational agility and the use of digital technology to explore new opportunities in delivering innovations, products, services, and solutions amid challenging market circumstances. These efforts enabled the continuity of SCG’s business operations. Meanwhile, SCG has provided assistance in particular to areas with high infection rates to help them get through the crisis and return to sustainable growth.***

**Mr. Roongrote Rangsiyopash, President and CEO of SCG,**disclosed the company’s unaudited Operating Results for FY2020, with Revenue from Sales decreasing 9% y-o-y to 399,939 MB, largely from lower chemical prices and sale volumes. Profit for the year registered at 34,144 MB, an increase of 7% y-o-y from better performance in all businesses. In 2020, SCG’s Revenue from Sales of High Value Added (HVA) Products & Services reached 126,115 MB, representing 32% of total Revenue from Sales which improved from previous quarter.

**SCG’s Revenue from Sales in Q4/2020** decreased 4% q-o-q to 97,250 MB from seasonally weak demand at Cement-Building Materials business (CBM), effect of COVID-19, and Chemicals business had a planned of Map Ta Phut Olefins (MOC) turnaround in Q4/20. While the turnaround was completed sooner than planned which helped offset some production loss, it nevertheless contributed to lower-than-normal chemicals sales volume in Q4/20. Meanwhile, revenue from sales dropped 8% y-o-y, mainly due to lower sales volume of Chemicals business stemming from MOC turnaround and lower sales in Cement-Building Materials business due to the effect of COVID-19 pandemic on the economy.

Profit for the Period registered at 8,048 MB in Q4/20, a decrease of 17% q-o-q due to lower Cement-Building Materials (CBM) performance resulting from continued economic slowdown due to COVID-19, heavy rainfall and floods in the region, and recognition of CBM’s asset impairments in Q4/20 from Myanmar and Indonesia cement operations. Meanwhile, quarterly profit increased 13% y-o-y from better chemicals earnings, mainly driven by lower feedstock costs.

**SCG’s Revenue from businesses outside of Thailand together with export sales from Thailand** registered 168,719 MB in 2020, or 42% of total Revenue from Sales, higher compared to 41% in the previous year.

**SCG’s total assets as of December 31, 2020 amounted to 749,381 MB, of which 38%represented assets in ASEAN.**

**The 2020 operating results by business units are as follows:**

**Chemicals Business** recorded FY2020 Revenue from Sales decline of 17% y-o-y to 146,870 MB from lower product prices and lower sales volume. Profit for the period increased 14% y-o-y to 17,667 MB as a result of higher product spreads.

Meanwhile, Q4/2020’s Revenue from Sales was 36,035 MB, decreasing 5% q-o-q and 13% y-o-y due to lower sales volume from MOC turnaround, which was postponed from Q2/20. Profit for the period was 5,837 MB, increasing 6% q-o-q mainly from higher product spreads and higher equity income from associates, and growing 108% y-o-y from lower feedstock cost and inventory gain.

**Cement – Building Materials Business** recorded FY2020 Revenue from Sales of 171,720 MB, decreasing 7% y-o-y due to the COVID-19 pandemic and challenging economic environment. However, profit for the period registered 6,422 MB, an increase of 18% y-o-y as a result of continuous efficiency improvements and lower production cost.

Meanwhile, Q4/2020’s Revenue from Sales was 40,284 MB, decreasing 6% q-o-q and 11% y-o-y as a result of weaken demand from the resurgence of COVID-19 outbreak as well as logistic barrier from heavy floods during October in Thailand. Additionally, floods in Vietnam and Cambodia from severe rainfall contributed to the weak sales. Net loss for the period was 194 MB due mainly to the recognition of 1,316 MB asset impairments at Myanmar and Indonesia cement operations during the quarter. Without the impairments, profit for the period would have been 1,122 MB.

**Packaging Business** recorded FY2020 Revenue from Sales 92,786 MB, increasing 4% y-o-y. Profit for the period also increased 23% y-o-y to 6,457 MB. This was attributed to our diversified customer portfolio that possesses resilient growth segments, including consumer products, food and beverages, personal hygiene care and E-commerce, as SCGP offer comprehensive packaging solutions to our customers through innovative and efferent products and services solutions, as well as its close cooperation and synergy in Thailand and Indonesia have helped SCGP to achieve its growth.

Meanwhile, Q4/2020’s Revenue from Sales was 23,596 MB, an increase of 1% q-o-q and 2% y-o-y. Profit was 1,486 MB, increased 11% q-o-q and 24% y-o-y.

Mr. Roongrote said, “The operating performance in 2020 remained resilient amid challenges post by the COVID-19 pandemic, thanks to the collective effort of SCG employees who placed great priority on safety and business continuity. The teamadopted new strategies and introduced a series of agile business approaches from modifying business plans, altering sales proportions, and developing Active Omni-Channel to meet changing customer behaviors. These efforts enabled SCG to deliver a comprehensive range of innovations, products, services, and solutions that catered to the market’s demand. Going forward, SCG will continue to implement a hybrid workplace model that allows SCG employees to work from home and use technologies to interact with partners and provide customer services. SCG staff at production and maintenance facilities will continue to adopt “pod approach” where areas and functions are segregated to ensure minimal contact between critical and non-critical staff. Staff working overseas will be kept at the production site to keep operations going undisrupted. And staff having contacts with outside customers will follow strict hygienic practices to ensure customers’ confidence. With proactive measures and determination of all SCG people, I believe SCG will once again overcome the uncertainties raised by the new wave of COVID-19 pandemic.

**Chemicals Business's operations** have been running smoothly both in Thailand and overseas with robust **business continuity management** and **sales portfolio management**. The business has increased the sales of plastics for the production of consumer products that are in high demand such as food packaging, beverage packaging, and e-commerce packaging. In instances where some markets are hard-hit by COVID-19, the business has shifted the sales to markets less-affected by the lockdowns. Chemicals Business has also **applied digital technologies**, e.g., Digital Commerce Platform which connects customers' purchase order to supply management. The platform increases agility, reduces process time, and enhance traceability for customers.

SCG has **expanded its downstream businesses and explored new businesses** to create product differentiation and enhance business flexibility. For **circular economy solutions**, SCG has started the production of post-consumer recycled resins utilizing used plastics from community waste and constructed chemical recycling demonstration plant. By utilizing internal knowledge and expertise together with the collaboration with global partners, Chemicals Business aims to commercialize self-developed digital manufacturing solutions and become an Industrial Solutions Provider.

The Company’s petrochemical complex project in Vietnam, Long Son Petrochemicals Company Limited (LSP), has reached 66%completion, while the MOC Debottleneck is proceeding as planned at 99% progress. This project will add an annual olefins capacity of 350,000 tons.

**Cement-Building Materials Business** has increased operational efficiency by **adjusting operations and business models**to be consistent with increased consumers’ appetite for hygiene products and e-commerce. The business has invested in the development of Active Omni-Channel, e.g., SCG HOME online, NocNoc, and Q-Chang. Meanwhile, it also offers **products and services as well as total solutions** to reinforce its role as the leader in the building materials market in Thailand and ASEAN. The service offerings cover construction solutions, living solutions, and COVID-19 protection solutions, i.e., **Medical Solution by CPAC BIM** that harnesses Building Information Modeling technology for isolation chamber and control chamber for medical use; ventilation technology for negative and positive pressure room to ensure safety. The modular solutions offer the benefits of quick setup and budget control choice. These solutions have been installed at Saraburi Hospital and Vajira Hospital.

Besides, the business has developed **innovative products to cater to hygienic needs**. This includes products such as **Smart Touchless automatic sanitary wares and faucets** to minimize contacts,or**COTTO's Hygienic Tile**that inhibits bacterial growth in the house. The business has also introduced the anti-mold and anti-UV board called **SCG Smartboard Ultra Clean** which incorporates easy-to-clean features and can withstand frequent disinfection wipes, making it a suitable choice for walls at hospitals, healthcare facilities, nursing homes, or dental clinics.**SCG's Solar Roof** **System** is an energy-saving option for homeowners. Solar Roof sales have skyrocketed, registering a182% growth compared to last year as people spend more time at home.

**Packaging Business** has adapted itself to cope with the economic fluctuations by further reinforcing its integrated business model to build sustainable growth in ASEAN. This also includes **collaborating with businesses overseas to expand business** by expanding customer base in a consumer product category as it has strong growth potential. The company has recently gained Bien Hoa Packaging Joint Stock Company (SOVI) shares to fortify its position and strength in the upstream packaging business in Vietnam. On top of that, the company also acquired Go-Pak UK Limited (Go-Pak), one of the leading foodservice solution providers in the UK, Europe, and North America, with its production facilities in Southern Vietnam. These acquisitions will augment market potential in the food packaging business.

Amid the COVID-19 challenges, the Company has pledged a foremost priority on strict hygiene measures to ensure the safety of products, employees, customers and business partners.

The company is committed to **developing packaging innovation and solutions.**It has launched   
SCGP-Inspired Solutions Studio to enhance customer's experience with packaging design solutions and **Circular Economy-based packaging development.** The example is R-1, flexible packaging that comprises multiple layers to offer unique properties of high-impact resistance, content protection, and recyclability. Dow Thailand Group and Khao Tra Chat have collaborated to develop eco-friendly and 100% recyclable rice packaging bags.

**To provide public assistance in a fight against the new wave of COVID-19 infections**, SCG has offered innovative solutions to mitigate pandemic emergencies.Siam Sanitary Ware Industry Co. Ltd. has donated 5 factory-built, turnkey Mobile Bathroom Units for Sakhon People Care Center in Samut Sakhon province which has been seeing a lion’s share of new COVID-19 cases in Thailand. SCG Foundation has donated additional 32 units to mitigate hardships and help over 1,600 people comprising medical workers, Thai people, and Myanmar people. In addition, SCG Foundation has also provided a series of COVID-19 innovations to high-infection areas in dire need of medical equipment. The COVID-19 innovations include Negative/Positive Pressure Isolation Chamber for emergency room and ICUs, Themo Scan for village health volunteers (VHV), and funds to support Myanmar people though Samut Sakhon province worth 6 MB.

In addition, the Board of Directors of SCC approved to submit for approval at the Annual General Meeting of Shareholders a full year 2020 dividend payment of 14.0 Baht per share for a total amount of 16,800 million Baht, or 49% of profit for the year on consolidated financial statements, of which 5.5 Baht per share totaling 6,600 million Baht had been paid as an interim dividend on Friday August 28, 2020. The final payment of dividend will be 8.5 Baht per share, totaling 10,200 million Baht.

The above dividend distribution shall be paid to the shareholders entitled to receive the dividend according to the Company’s Articles of Association and who are listed in the record date on Friday April 9, 2021. (The XD, or the date on which a purchaser will not be entitled to receive the dividend, will be on Thursday April 8, 2021) The dividend will be paid on Friday April 23, 2021. The receipt of such dividends shall be made within 10 years.

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