*Press Release*

**SCG Announces Q3/2022, Combating Energy Cost Surge and Sharp Decline from Petrochemical trough cycle with Investment reprioritization and strong financial liquidity; Entering into 3 Megatrend Businesses:   
Renewable Energy, ASEAN Logistics, and Smart Living**

**SCG has announced Q3/2022 operating results, reflecting a drop in sales and profits due to soaring and volatile global energy prices. This is a result of the Russia-Ukraine conflict, the global economic slowdown induced by the global rise in interest rates, and China's economic slowdown resulting from its Zero-Covid Policy.   
In conjunction with the petrochemical trough, the industry has hit its lowest point in the cycle in 20 years. SCGC is impacted by the high cost of raw materials and excessive capacity addition causing oversupply. The Cement and Building Materials business also faced skyrocketing energy costs. Nevertheless, SCGP is performing well despite energy cost increase. Overall, SCG has a solid financial position due to its rigorous liquidity management and targeted investments in high-potential and sustainable businesses. SCG proactively enters into three   
new businesses:1) Renewable Energy, 2) ASEAN Logistic, and 3) Smart Living. The strategy seeks to improve   
the quality of life and provides customers and the society with convenience, affordability, safety, and environmental responsibility.**

**Roongrote Rangsiyopash, President and CEO of SCG, disclosed, "SCG's Q3/2022 operating results   
were significantly impacted by the energy prices that reached 10-years highs. This was the consequence of   
the Russia-Ukraine conflict, which has resulted in a significant increase in SCG's energy costs on top of the deepest petrochemical trough in 20 years. Global economic slowdown is expected as global interest rates rise. This will be exacerbated by China's economic downturn as a result of its Zero-Covid Policy.**

**SCG is well-equipped to handle this recurring crisis while maintaining solid financial stability. It has scaled back costs and expenses, reassessed investments, and deferred new non-urgent projects. It focuses on leveraging projects with quick returns that are consistent with business expansion strategies, such as the LSP petrochemical project in Vietnam, whose construction progressed on plan and reached 97% completion. To further strengthen   
its financial position, debentures totaling 35,000 MB were also issued in Q3/2022.**

Furthermore, the company accelerates the development of innovations to meet the needs of customers promptly by entering into three new businesses with high potential and addressing the needs of global megatrends as follows:

1. **Renewable Energy.** SCG seeks to lower costs and speed up renewable energy development with satisfactory outcomes by employing biomass from agricultural byproducts and municipal solid waste (Refused Derived Fuel or RDF) in place of fossil fuels. In Q3/2022, Thailand’s cement operations used 40% for their total fuel from renewable fuel. Consequently, in 9 months of 2022, the proportion of renewable fuel use climbed from 18% to 34% y-o-y with solar energy making up 195 megawatts   
   (as of September 2022). SCG also expands into solar energy businesses for residential and industrial estate sectors, namely SCG Solar Roof Solutions, and SCG Cleanergy Company Limited. Electricity can be traded via a smart grid platform with a leading customer both in public and private sector customers.

SCGC has recently entered into a joint venture agreement with Denka Company Limited, Japan,   
to produce acetylene black, material primarily used as a component in producing lithium-ion rechargeable batteries for electric vehicles (EV) and used in applications for high-voltage transmission cables to generate electricity from offshore wind power.

1. **ASEAN Logistics.** The company merged its logistics business with JWD InfoLogistics Public Company Limited and became ASEAN’s top integrated logistics and supply chain business, offering a wide range of services such as warehousing, cold storage systems, cargo services by land, sea, and air, docking services, import and export services, covering customers’ needs from end to end.
2. **Smart Living.** The business enhances the quality of life and provides customers and the society with convenience, affordability, safety, and environmental responsibility. Examples are Smart innovations for air quality and energy savings, such as

- **SCG Active AIR Quality, SCG Bi-ion, and SCG HVAC Air Scrubber.** Air quality management solutions that help eliminate virus and bacteria and reduce energy consumption in buildings. These solutions are now installed at **Chulabhorn Research Institute, hospitals** (Siriraj, Rajavithi, Ratchaphiphat), **Queen Sirikit National Convention Center and department stores** (Terminal 21 Pattaya, Central Ayutthaya, **office buildings** (SCG Head Office, Kloud by Kbank, the lobby zone of Abdulrahim Place) **and educational institutes** (Saint Dominic School, Vajiravudh College, Amnuay Silpa School);

- **Trinity IOT Ecosystem**. A smart-home innovative platform technology that connects and remotely operates smart home appliances

- **Wellness Home Hub**. A technology that measures and monitors the well-being of home residents.   
The system will promptly notify the hospital in case of any emergency.

In addition, SCGC continues to expand its production capacity of high-quality post-consumer recycled resins SCGC GREEN POLYMER at Sirplaste, Portugal, after acquiring a 70% stake, to supply the markets in Europe and Africa. Concurrently, SCGP expanded its investment in the high-quality medical supply market (Deltalab, S.L.) in Spain to export to global markets. It has also expanded its packaging materials recycling business, which is in high demand and is aligned with environmentally responsible trends, such as acquisitions of Peute Recycling B.V. (Peute) in the Netherlands, and Jordan Trading Inc. (Jordan) in the United States.

**SCG's unreviewed Operating Results for Q3/2022** registered the Revenue from Sales of 142,391 MB,   
a drop of 7% q-o-q, due to lower chemical’s product prices driven by softer petrochemical’s demand due to the trough of Chemicals business. Profit for the Period was at 2,444 MB, a decrease of 75% q-o-q largely attributable to lower chemical’s spreads, higher energy cost, together with lower seasonal dividend. However, on a y-o-y basis, Revenue from Sales has climbed by 8% y-o-y, mostly due to higher product prices in-line with the market of cement and building materials business and SCGP. Profit for the Period declined by 64% y-o-y due to lower chemical’s spreads and lower equity income.

**In 9 months of 2022,** SCG registered Revenue from Sales of 447,419 MB, a rise of 15% y-o-y. This is owing to higher sales across all businesses mainly from higher product prices in-line with the market. Profit for the Period totaled 21,225 MB, down 45% y-o-y, as a result of higher feedstock and energy costs as well as lower equity income in Chemicals business.

SCG has modified its HVA (High Value Added products and services) strategy by tightening the criteria to increase product competitiveness in the global market. The efforts are to keep up-to-speed in launching products in response to the rapid change in customer’s needs and to increase profitability. Under the new criteria, SCG's sales of HVA products and services in 9 months of 2022 amounted to 152,888 MB and accounted for 34% of total Revenue from Sales. Furthermore, the proportion of New Products Development (NPD) and Service Solutions accounted for 17% and 6% of total Revenue from Sales, respectively.

In addition, **SCG's Revenue from operations outside of Thailand**, including export sales from Thailand in   
9 months of 2022 registered 203,134 MB or 45% of total Revenue from Sales, equivalent to the same period last year.

**The total assets of SCG, as of September 30, 2022, amounted to 929,931 MB, of which 46%represented assets in ASEAN (excluding Thailand).**

**The Q3/2022 and 9 months of 2022 Operating Results by business units are as follows**:

**Chemicals Business (SCGC)** recorded Q3/2022 Revenue from Sales of 57,351 MB, down 5% y-o-y and 14% q-o-q due to lower product prices from dismal demand. Loss for the Period was 339 MB from lower margins and equity income from associates.

In 9 months of 2022, Chemicals Business recorded Revenue from Sales of 193,302 MB, increased 12%   
y-o-y due to higher product prices. Profit for the Period totaled 6,953 MB, down 72% y-o-y due to higher feedstock costs and lower equity income from associates.

**Cement-Building Materials Business** recorded Q3/2022 Revenue from Sales of 51,558 MB, which increased 17% y-o-y thanks to commercial strategy with lead to higher sales in both domestic and regional markets. Profit for the period was 530 MB. Excluding the asset impairment and key items, Normalized profit came in at 851 MB a decline of 29%   
y-o-y, mainly due to higher raw materials and energy costs.

In 9 months of 2022, Cement-Building Materials Business recorded Revenue from Sales of 155,329 MB,   
an increase of 14% y-o-y. Profit for the period came in at 4,506 MB, up 57% y-o-y. Excluding the asset impairment and key items, normalized Profit for the Period would have been 4,827 MB or down 25% y-o-y

**SCGP** recorded Q3/2022 Revenue from Sales of 37,943 MB, an increase of 19% y-o-y due to the adjusted product prices, growth in pulp and paper business, steadily increase in demand for foodservice packaging, as well as the merger and partnership (M&P) with packaging material recycling company Peute Recycling B.V. (Peute), in the Netherlands, and Jordan Trading Inc. (Jordan), in the United States whose financial performance were included the consolidated financial statements from July and September 2022, respectively. Profit for the Period stood at 1,837 MB, an increase of 3% y-o-y primarily due to continuous business expansions under the M&P strategy and improved demand for food and beverage packaging in ASEAN.

In 9 months of 2022, SCGP recorded Revenue from Sales of 112,559 MB, up 26% y-o-y due to   
the commencement of commercial operation of a packaging paper expansion project in the Philippines (UPPC 3), business expansion from M&P in rigid plastic packaging manufacturing business (Duy Tan) in Vietnam, corrugated container producers (Intan Group) in Indonesia, and medical supply manufacturer (Deltalab, S.L.) in Spain and packaging materials recyclings business (Peute). The higher Revenue from Sales was also from the adjusted prices of products to reflect costs. Profit for the Period totaled 5,351 MB, down 13% y-o-y, from higher raw materials and energy costs.

Roongrote said, "This crisis is incredibly challenging, but we are confident that SCG will overcome it and emerge stronger than ever thanks to our strategies, which include making timely adjustments to business plans, reducing costs, delaying non-urgent investment projects, and adjusting production plans to meet market demands. Meanwhile, we also invest more in new businesses with high potential (New S-Curve). For SCGP, its investment portfolio companies continue to expand healthily.

SCG's financial position and cash flow remain robust due to less investment burden as the LSP project is now 97% completed. Through constant communication with employees, suppliers, partners, and customers, we have excellent collaboration to get through this crisis."