The Siam Cement Public Company Limited
Summary of Q&A – Q4/16 SCC Analyst Conference

1) Following the new production capacity of ROC, is this now the same as MOC? And is the ratio of feedstock of naphtha to light feed the same?

- Yes, and Yes.

2) Can we assume that the sales of HVA products are down?

- Actually, sales volume as a percentage of total volume are up. However, but sales value are down because the drop in chemicals prices (as a result of lower naphtha prices).

3) What is the outlook of the DPS (dividend per share), since chemicals margins looks to be dropping?

- We have a dividend payout policy of 40% - 50% of earnings, and the effort is to be a certain consistency.

4) Could you give us more color on the performance of Chandra Asri in Fy2016?

- Their plant is running at a good rate since the Q4/15 capacity debottleneck.
- Their performance accounts for a large portion of the FY2016 increase in our equity income.
- Going forward, they have announced that they will be expanding their downstream capacity by 400 KTA, which will take no more than 3 years to construct.

5) How is the Myanmar cement market doing thus far?

- The Myanmar market grew 2% in FY2016, with a slight negative growth in Q4/16.
- The outlook is better since there is increased application for construction permits, and we are seeing an improving trend in Dec/16.
- Our cement plant there will start in Jan/17 and the ramp up will be gradual throughout the year.

6) What is the outlook of polyolefins versus the by-products?

- We believe that the outlook of polyolefins will be stable, while any softness there will be offset by higher margins of byproducts. This is due to better supply / demand balance. The C4 chain is improving, while Benzene and Toluene has improved supply structure as the newer crackers are gas based.

7) What are the economics of SBR and C4 (BD) products?

- Downstream producers of SBR often have a pricing formula that helps them from peaking BD prices.

8) In the cement and building materials business, the drop in profitability is more than EBITDA. What do you attribute this to?

- This is attributed to lower depreciation, in addition to the one-time tax write-down for our Indonesian ceramics plants.

9) For the Vietnamese chemicals project, what is the time line?
• Once approved, we are looking at the beginning of site preparation in H2/17 and construction later on once it is completed.

10) Reference to the Indonesian ceramics plant tax write down, is that included in the “others” total on page 6?
• No, it is not, as we have noted that “others” is the divestment of assets, which was disclosed at the Q3/16 results briefing (parts, and grinder plant).

11) Is the CAPEX at 60,000-70,000 MB per year? Why is it much higher than 50,000 MB previously?
• The 60,000 MB – 70,000 MB guidance is for 2017, as the 2016 amount was only 35,000 MB.

12) What is the chemicals outlook, in terms of regional inventory level and margin outlook?
• We expect margins to recover, as the market supply / demand balance remains tight. • In terms of inventory level, it is tight regionally. We have noticed a shift in purchasing pattern, from buying for every two week, towards buying for a month.