Summary of Q&A – Q4/18 SCC Analyst Conference

Cement – Building Materials

1) **What is the outlook of the domestic cement industry in 2019?**
We expect continued stable growth in H1/19 and will monitor for progress in H2/19.

Chemicals

2) **What is the PE and PP outlook?**
PE appears to be steady, but that will depend on the demand outlook.
As for PP, demand looks secure, but the concern is due to increased regional supply.

3) **What is the CAPEX plan for CAP2 expansion?**
The final investment decision is not expected until 2020.

4) **What is the PVC/EDC outlook?**
We forecast to see the situation normalized as for the supply and demand of EDC has reached to the point of balance for few quarters already while PVC that took pressure on high EDC price but its price is doing quite successfully.

5) **What is the outlook for naphtha?**
The outlook is expected to normalize from the existing oversupply situation.

6) **Why did HVA margins drop?**
We attribute this to the panicked market sentiment, while demand existed.
This compares to the commodity grade which dropped due to lower demand.

7) **Is there an expected major cracker shutdown anytime soon?**
Not this year.

Packaging

8) **At what utilization rates are the plants running at? What about the influence of the China/US factor?**
The operations are running at 100% while SCG is trying to optimize cost and improving sales, while there are expansions into the third line in the Philippines. Furthermore, the China impact is not significant.

Corporate

9) **What is the dividend outlook?**
There is a specific dividend policy of 40-50% of earnings, while there is consideration on the absolute dividend payout stability. Furthermore, SCG is committed to financial discipline and capital allocation on investment.