

Translation

CSO-S60-192

July 14, 2017

To President
The Stock Exchange of Thailand

Subject: Updates on SCC's Long Son Petrochemicals Project in Vietnam

The Siam Cement Public Company Limited (or "SCC") announces that Vina SCG Chemicals Co., Ltd. (or "VSCG"), its wholly-owned subsidiary, has approved to proceed with the investment of the Long Son Petrochemicals Company Limited ("LSP"). LSP will issue the Letter of Award to key contractors on July 14, 2017 and the final contract signing is expected to be in the second half of 2017. The estimated four and a half year construction of the complex is managed under the consolidated turnkey lump sum project format, with commercial operation expected by the first half of 2022.

The total project cost of LSP is approximately US\$5.4 billion or 188 billion Baht, and financing will be with a combination of foreign denominated debt and equity at 60:40. The annual CAPEX will be distributed across the project period. SCC's indirect stake in LSP is 71% (via Vina SCG Chemicals Co., Ltd. 53% and Thai Plastic and Chemicals Public Company Limited 18%), while Vietnam Oil and Gas Group (PetroVietnam) holds 29%.

LSP is positioned as Vietnam's first petrochemicals complex. The project possesses competitive aspects ranging from integration, economies of scale, and flexible feedstock. Non-petrochemical supporting infrastructure such as a deep sea port and other facilities are also included at approximately 30% of the total investment cost.

At the heart of the project is a one million ton ethylene cracker with flexible gas and naphtha feed to yield in total olefins capacity of up to 1.6 million tons per year depending on the feedstock mix. The technology of LSP will be comprised of proven processes from leading world class licensors. The feedstock will consist of locally sourced ethane, and imported propane and naphtha, on secured contracts and at competitive market prices. This will facilitate the highly flexible cracker that is able to utilize gas up to 80% for cost optimization. Furthermore, the downstream polyolefins operations will be of similar scale to the cracker, consisting of High Density Polyethylene (HDPE), Linear Low Density Polyethylene (LLDPE) and Polypropylene (PP) plants.

LSP is located just 100 km from Ho Chi Minh City, the main market and economic heartland of Vietnam. In 2016, Vietnam imported approximately 2.3 million tons of polyolefins products.

This transaction is an acquisition of assets with its value greater than 15% but lower than 50% of total assets under the interim consolidated financial statements for the three-month period ended March 31, 2017 of SCC. Thus, SCC is required to disclose the information to SET and subsequently send a written notice to shareholders for acknowledgement within 21 days from the date of disclosure of information to SET. This transaction is not a connected transaction. SCC then submits the information as per details attached.

Yours faithfully,

The Siam Cement Public Company Limited

-signed by-

(Mr. Roongrote Rangsiyopash)

President & CEO

Information regarding the updates on SCC's's Long Son Petrochemicals project in Vietnam

1. The date on which the transaction occurs:

July 14, 2017

2. The parties involved, their relationship with the listed company (except a party which is a third person which has no relationship with the listed company and which does not want to disclose its name and the Exchange has considered that identifying such party is of no importance to the transaction in question):

SCC's indirect stake in LSP is 71% (via Vina SCG Chemicals Co., Ltd. 53% and Thai Plastic and Chemicals Public Company Limited 18%), while Vietnam Oil and Gas Group (PetroVietnam) hold 29%. LSP, as SCC's subsidiary, is the project company that will pay for project expenditure, mainly for Engineering, Procurement and Construction.

3. The general characteristics of the transaction, which shall include category and volume of the transaction in accordance with Clause 4 and Clause 7 of the Notification of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets):

Total project cost of LSP is approximately US\$5.4 billion or 188 billion Baht to construct the petrochemical complex, including an olefins cracker, downstream polyolefins plants and supporting infrastructure. The mentioned transaction is class 2 Transaction according to the Notification of the Capital Market Supervisory Board, No. TorChor. 20/2551 (2008) and the SET rules and regulations. The Siam Cement Public Company Limited (SCC) has to consider the value of the project compared with the total assets before performing the transaction as well as follow the rule of SET. The size of this transaction calculated under the rules regarding Acquisition and Disposition of Assets is equal to 15% or more but below 50% of SCC's total assets as follows:

Acquisition of Assets

The size of the transaction of the assets acquisition arisen from purchasing land, constructing plants and purchasing machine and equipment at total value of approximately US\$5.4 billion or 188 billion Baht compared to SCC's total assets (562.2 billion Baht, as stated in the latest reviewed consolidated financial statement ended March 31, 2017) is 33.4%. The calculation detail is as follows:

The value investing in the LSP project x 100 / Total assets of SCC, or (188 billion x 100 / 562.2 billion), is equal to 33.4%.

Thus, SCC shall notify SET and then, within 21 days of notifying SET, shall send a notice to all shareholders for acknowledgement.

4. The details of assets purchased or disposed of together with an explanation relating to the business to be further operated:

The investment covers Engineering, Procurement and Construction, Owner's Cost, Interest During Construction, Initial Working Capital and contingency. After the construction, LSP's complex will consist of various plants and units as per attachment.

5. The total value of the consideration, giving clear details of the mode of payment including conditions of various agreements relating to payment or payment by installment:

The total value of the assets purchased for the LSP project is approximately 188 billion Baht. Financing will be with a combination of foreign denominated debt and equity at 60:40. The annual CAPEX will be distributed across the estimated four and a half years of project period, with commercial operation by the first half of 2022

6. The total value of the assets purchased and disposed of:

Approximately 188 billion Baht.

7. The measure used to determine the value of consideration:

The value of Engineering, Procurement and Construction contracts is from competitive bidding method. Other assets like land are based on market price.

8. Where necessary, it shall include the amount of net after tax profit and after any specific transaction which is a part of assets purchased or disposed of for 2 fiscal years prior to the occurrence of the transaction:

- None -

9. The profit expected to be generated for the listed company as the result of the said transaction:

LSP will be Vietnam's first petrochemicals complex. The project possesses competitive aspects ranging from integration, economies of scale, and flexible feedstock. In addition, LSP is located just 100 km from Ho Chi Minh City, the main market and economic heartland of Vietnam. Therefore, the project is expected to generate earnings over the hurdle rate to SCC from its competitiveness as mentioned above.

10. In the case of entering into a purchase of assets, the sources of funds to be used shall be included. If it is a loan from a financial institution, conditions affecting rights of shareholders, such as restrictions on payment of dividends, shall also be included:

The sources of fund of this project are from foreign denominated debt (corporate financing) and equity at 60:40. The prospective lenders are Export Credit Agencies and commercial banks.

11. In the case of disposition of assets, the proposed utilization of the proceeds from the sale shall be included:

- None -

12. In the case of issuance of securities for payment of the purchase price of the assets, the category and details of securities issued by the listed company and the number and price of the shares issued as consideration shall be included:

- None -

13. Approval from the Exchange and/or the shareholders meeting, as the case may be, shall be obtained, this must be stated clearly:

- None -

- 14. In case an enterprise invested by a listed company has the listed company's connected person holding at least 10 percent of the total voting shares of that enterprise and the business of that enterprise is related to the business of the listed company, explanation of the reasons why the listed company does not hold the whole shares of that enterprise in lieu of the connected person and the measure for prevention of conflict of interest that may arise in the future must be provided:**

- None -

- 15. Opinions of the Board of Director concerning a decision to enter into a transaction:**

SCC's Board of Directors has approved SCC to invest in the LSP project as details mentioned above.

- 16. Opinions of the company's Audit Committee and/or directors which are different from the opinions of the Board of Directors under 15:**

No difference of opinion from SCC's Board of Directors.

Information according to Account (2), Item 2, 3, 5(3), 7 and 8 only

- 17. The statement relating to the responsibilities of Board of Directors with respect to the information in documents sent to the shareholders:**

This information regarding LSP Project being disclosed according to the Notification of the Capital Market Supervisory Board, No. TorChor. 20/2551 (2008) Re: the rules of entering into significant transactions concerning the Acquisition and Disposition of Assets represents correct information as shown in this letter to the shareholders.

- 18. Where there is an opinion of an independent expert (e.g. appraiser of assets), the report of the expert shall include information as required by the Exchange and the qualifications of the expert, shareholding in and relationship of the expert with the listed company and the parties, permission of the expert for the disclosure of the opinion and the date of the opinion:**

According to the Notification as mentioned in Item 17, SCC is not required to appoint an independent expert to consider these transactions.

- 19. Financial projections in the present year (if any), including assumptions on trade economics, industry and review of the figures by a certified public auditor and the opinion of an independent financial advisor that the projections have been carefully prepared:**

- None -

- 20. Pending material lawsuits or claims:**

- None -

- 21. Interests or connected transactions between the listed company and directors, management and shareholders directly or indirectly holding shares amounting to 10 percent or more, including the nature of the transaction or the interests:**

- None -

Details of Assets to be acquired by LSP

Land:

No.	Detail	Title Deed Number	Total Area (Hectare)
1	Land located on Long Son Island in Ba Ria-Vung Tau province, Vietnam	On process	464

Key Plants and Units:

No.	Detail	Amount (Unit/Set)
1	Olefins Plant	1
2	High Density Polyethylene (HDPE) Plant	1
3	Linear Low Density Polyethylene (LLDPE) Plant	1
4	Polypropylene (PP) Plant	1
5	Port & Jetty and other Utility Units (Air, Steam and Water Treatment)	1