

EXIM Thailand and Indonesia's ASEI Insure SCG Chemicals'
Petrochemical Exports to ASEAN and Global Markets

EXIM Thailand issued an export credit insurance policy to SCG Chemicals with PT Asuransi Ekspor Indonesia (Persero) or ASEI, Indonesia's national export credit agency, as reinsurer. The insurance facilities will help protect SCG Chemicals against non-payment risk incurred by SCG Chemicals' export of its plastic resin to major plastic bag manufacturers in Indonesia. Consequently, SCG Chemicals has increased its sale target in 2012 by 2,400 million baht.

Mr. Kanit Sukonthaman, President of Export-Import Bank of Thailand (EXIM Thailand), and Mr. Sakchai Patiparnpreechavud, Managing Director of SCG Plastics Co., Ltd., a subsidiary of SCG Chemicals, signed an export credit insurance policy which provides insurance coverage against the risk of non-payment arising from SCG Chemicals' export of plastic resin to Indonesia. EXIM Thailand's President and Mr. Zaafril Rasief Amir, President Director of PT Asuransi Ekspor Indonesia (Persero) or ASEI, Indonesia's state-owned export credit agency, also signed a Reinsurance Agreement at EXIM Thailand's Head Office on February 28, 2012.

Under this tripartite cooperation, EXIM Thailand will provide export credit insurance coverage to protect SCG Plastics, a subsidiary of SCG Chemicals, one of the largest integrated petrochemical companies in Thailand and also a key industry leader in the Asia-Pacific region, from non-payment risks arising from its sale of plastic resin to major plastic bag manufacturers in Indonesia while ASEI, acting as reinsurer, will in turn assume EXIM Thailand's risks. In the case of buyer default caused by commercial risks such as buyer bankruptcy, buyer refusal to pay, and buyer refusal to take delivery of goods as well as political risks, EXIM Thailand would pay compensation of up to 90% of the loss realized and also help in debts collection.

"Importantly, this partnership marks the first arrangement of its kind whereby Thai and Indonesian government financial institutions have joined force to strengthen business potentials of their respective private sectors. With export credit insurance, SCG Plastics will be able to expand its plastic resin manufacturing facilities and export to Indonesia with more confidence before re-export to the United States and European markets. This signifies an important step towards deeper public-private cooperation in the intraregional trade arena, taking advantage of the widening business opportunities derived from the approaching ASEAN Economic Community (AEC) 2015. This partnership will also reinforce our mutual strengths leading to greater supply chain development and sustainable advancement of ASEAN's trade and economy as a whole," said Mr. Kanit Sukonthaman, EXIM Thailand's President.

Mr. Sakchai Patiparnpreechavud, Managing Director, SCG Plastics, a subsidiary of SCG Chemicals, said this cooperation is not only to better visualize the SCG Chemicals' vision to be the business leader and ready to grow with sustainability in ASEAN, but also to push forward the business cooperation between companies in the two countries which in eventual will result in better cooperation in regional level. This will result in the shift in petrochemical expansion which not only benefits the exporters but also Thai and Indonesian society in general by creating job opportunities and revenue. In addition, the cooperation is also another force to support Thailand's petrochemical industry in completing in the world's market and getting ready for the free trade in the future.

“This is another win-win situation in co-creation that helps supply raw material for plastic bag manufacturers in Indonesia to produce and feed the goods to the world market and also to create job opportunities to their people, while SCG Chemicals manages to boost the exports this year by 2,400 million baht and to create the added-value for the region's plastic products in general,” said Mr. Sakchai.

February 29, 2012

For further information, please contact

- **Public Relations Division, Office of Top Management, EXIM Thailand Tel. 0 2271 3700, 0 2278 0047, 0 2617 2111 ext. 1140-7**
- **Brand Communications, SCG Chemicals Tel. 0 2586 6613**