

## Message from the Chairman

### Dear Customers, Business Partners, Employees and Shareholders,

The year 2019 has been while very challenging, yet another year of striving for even greater success for Golden Lime Public Company Limited ( and its subsidiaries), in its nearly two decades of existence. While we continue to value sustainable business development and environmental consciousness (example launching a Solar plant during the year that will start to operate mid 2020) as well as the highest level of safety standards, we stayed committed to shareholder value generation, and the continued improvement of the lives of all of our stakeholders in the communities around us.



The year ended with a revenue of 977 million Baht, generated EBITDA of 165 million Baht and a net profit of 7 million Baht earning per share 2 Satang per share.

The core business of limestone derivative products ( ground calcium carbonate, burnt lime, burnt dolomite, and hydrated lime production ) carried out by Golden Lime and its fully owned subsidiary Saraburi Quicklime, generated well over 95% of the revenue and margins with cumulated sales of 334kt of burnt and 9kt of crude products, while the non-core petroleum coke and aggregate business contributed the remaining 5% of revenue and margins (the engineering division's revenue was not significant)

The company was exposed to multiple challenges, a weak steel segment, a comparatively short sugar season due to draught conditions, the effect of the strong Baht that limited the export performance of the lime industry in Thailand in general, and the proportionally high cost of combustible fuels. As result after a very successful 2018 with over 22% topline and 34% EBITDA growth, this year has witnessed a 13% revenue and 28% EBITDA contraction, primarily due to burnt products sales volumes down by 25%. It is encouraging however, that the revenue per ton of burnt product sold was up 6% illustrating that the management was able to add more value via higher quality and more service content to every unit of product sold, and successfully weathered the cost pressure without margin erosion (actually with increase of margins), that is encouraging for future performance as volumes recover and start to grow again.

Even under these trying conditions, Golden Lime made a number of advances as a continuation of the turnaround program launched in 2016, to prepare future growth or revenues and saving on costs:

- **New Product:** the company launched dolomitic lime as an entirely new product on the market, with trial deliveries in most of 2019, but firm orders as from Q4 onwards.

- **Environmental consciousness:** the Solar project started in Q3 2019, expected to be operational in Q2 2020, expected to reduce the total power consumption (and cost) of grid electricity by 15%, and contributing to the green credentials of the company.
- **Organization development:** we relentlessly continued to invest in human resources and talent, systematically strengthened the leadership team and the middle management, while reducing the overall headcount via automation and reorganization of workflows.
- **Quality:** as a result of the continuous improvement of raw materials, production processes, and knowledge, we managed to reach our extended (well beyond standards) quality objectives set 3 years ago. From now onwards focus is on consistency and special qualities for specific niche applications to further extend our product portfolio.
- **Merger:** at the end of the year we merged Saraburi Quicklime into Golden Lime which results going forward overall lower SG&A costs, simplified processes, and better use of synergies between production sites.



### Our long-term vision remains the same:

We will develop SUTHA into a leading South East Asian lime producer.

In the year ahead in 2020, we will continue to add further growth drivers, diversify into raw materials, add further new product, restoring the volume, topline and margin growth.

We are looking forward together with all stakeholders of SUTHA to a great 2020!



Date: 25 February 2020

Mr. Geza Emil Perlaki  
Managing Director and  
Chairman of the Executive Committee

Mr. Sripop Sarasas  
Chairman of the Board of Directors