

Message from the Chairman

Dear Customers, Business Partners, Employees, the Governance unit and Shareholders,

The year 2020 will be remembered as probably the most exceptional in living memory. The pandemic sweeping through the world, an unseen phenomenon since over 100 years, resulted major disruption in our everyday lives, economic activity, supply chains, impacting every segment of the economy in Thailand and worldwide. The service segment of the economy like hospitality or travel were hit hardest, while manufacturing including the lime industry and Golden Lime in particular was spared from the worst, all operations remained active continuously, the market disruption was limited in duration and impact.

The other major event in 2020 was the acquisition of 99.79% shareholding in Thai Marble, effectively enabling the start of limestone quarrying operation internalizing the majority of the raw material supply (vertical integration), extending the ground calcium carbonate product range (new product), and addition of an ornamental stone business (expansion of activity to unrelated segment).

On the operations side the finalization and startup of our in-house electricity plant (Solar 2MW) and the streamlining of the production infrastructure by concentrating the downstream activity in the three major sites, are a further proof of GL's commitment to environmental consciousness, and relentless improvement of operational effectiveness. All in all, the year 2020 while extremely challenging, represented yet another example of continuous drive to turn crises into opportunities, business development for long term sustainability, further advancement of our green credentials, and committed to shareholder value creation.

The year ended with a consolidated revenue of 1294 million Baht (up from last year 977 million Baht) and generated EBITDA of 385 million Baht statutory and 216million Baht normalized (both up from last year 165 million Baht) and a net profit of 207 million Baht statutory and 38 million Baht normalized (up from 7 million Baht last year) earnings per share 69 Satang statutory and 13 Satang normalized (up from 2 Satang statutory)

The core business of limestone and derivative products (aggregates, ground calcium carbonate, burnt lime, burnt dolomite, and hydrated lime production) carried out by Golden Lime (includes the former Saraburi Quicklime operations merged as from 1st January 2020 fully into Golden Lime) and Thai Marble (acquired 13th May 2020), generated well over 89% of the revenue and margins, while the non-core marble ornamental stone business, aggregate business, and engineering contributed the remaining 11% of revenue



The company, beside the pandemic effect, was exposed to multiple market challenges, a fluctuating steel segment, exceptionally weak and short sugar season including the shortage of sugarcanes, the continuation of the strong Baht plus a rapid increase of the freight cost in Q3 and Q4 (despite the pandemic and tourism slump) that limits the export performance of not only of Golden Lime but also the lime industry in Thailand in general, as well as the startup of a new production capacity in neighboring Laos. On the upside, the relatively advantageous pricing of traded combustible commodities, new products, rigorous cost control, and the vertical integration of raw materials and electricity generation, resulted in significant positive contribution to the operational performance.

- **New Product:** the company launched dolomitic lime as an entirely new product on the market in 2019, this rollout continued in 2020, and is planned to reach its full potential in 2021. Further new product introductions are being planned for 2021 and beyond.
- **Raw material:** the acquisition and operational integration of limestone quarry is a major step in vertical integration effectively becoming an integrated lime producer, with impact on raw material supply quality, security, and on consolidated level also on overall cost.

- **Environmental consciousness:** The Solar project started in Q3 2019 started trial operation in May and regular operation from Sept 2020, in line with expectations to reduce the total power consumption (and cost) of grid electricity by 15%. Further expansion is planned, as well as opening of a 2nd station with objective up to 30% grid independence.
- **Production effectiveness:** The concentration of production assets reduces excess internal transfer costs, enabled headcount reduction, and savings in fix costs in general. With realization all in H2 2020, the effect on operational performance is yet to be realized in 2021
- **Quality:** Relentless focus is on quality consistency in standard grades, and special qualities for specific niche applications, further extend our product portfolio with customized special products developed to individual customers
- **Organization development:** we relentlessly continue to invest in human resources and talent, systematically strengthened the leadership team and the middle management – the most important of all resources.

Our long-term vision remains the same:

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

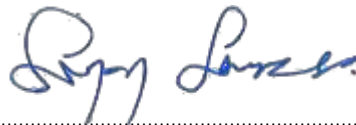
In the year ahead in 2021, we will continue to add further growth drivers, diversify into raw materials, add further new product, restoring the volume, topline and margin growth.

We are looking forward together with all stakeholders of SUTHA to a great 2021!

Date: 23 February 2021



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



Mr. Sripop Sarasas
Chairman of the Board of Directors