

## **CEO's Address on 37<sup>th</sup> Foundation Day Celebration**

We join the nation in offering our love, respect and prayers on His Royal Highness Gyalsey Jigme Namgyel Wangchuck's 3<sup>rd</sup> Birthday. It is a very auspicious coincidence to celebrate Penden's 37<sup>th</sup> Foundation day today, which also coincides with the Losar.

Today, I am very happy because of the companion of our Ugyencholing Goenpa Lam, Threma Khenpo, Gup of Phuntsholpelri Gewog, heads of the government agencies, Royal Bhutan Police, Royal Bhutan Army, heads and employees of other companies, private individuals, the public, and Penden family, who have gathered here to celebrate and witness the 37<sup>th</sup> Foundation Day of Penden Cement Authority Limited. I must thank all for taking your time, and hope you will enjoy the day.

I must also thank the Penden employees and the organizing committee of the 37<sup>th</sup> Foundation Day in bestowing me the responsibility of the chief guest. Since, I joined office in August 2018, they maintained that I should be the chief guest.

On this auspicious occasion, I on behalf of the shareholders, the board and on my own behalf, I would like to congratulate all the Penden employees and thank each one of you in your unwavering support and hard work, which have led to the success and growth of the company. I must also thank our family members who have sacrificed in many ways to support us, without which, it would not have been easy for us to perform so well.

I would also like to reiterate our vision here, which states, "To be a leading organization reputed for its quality products, services and business practices". In all our endeavours, we must set aside our individual differences and strive hard to achieve the vision of the company. We have been hired to fulfill certain mission, and that must be delivered.

As we know that PCAL has been formally established since 1982 and contributed substantially to the nation and the society at large. The shareholders also continue to enjoy and benefit from the progress. In order to continue to nation building, support our society, and enhance shareholders values, we must strive even harder. I have been chosen as the CEO by the shareholders and the board of PCAL to carry out necessary reforms and pave a new way for the company. I have definitely missions to accomplish. However, I need your understanding, support, and most importantly, I want you to work harder. Today, the company is confronted with the challenges of depleting limestone reserves. We have already closed Uttary mines, and Pagli mines is also depleting. We also have challenges with the aging plant. I am here to find solutions to the emerging challenges, and I am optimistic that we will find good solutions soon.

Today, we have set a short term vision called the Vision 2021, to create a dust free plant; revive the plant efficiency above 95%; identify at least one new captive mines; and diversify our business that is sustainable in the long term. That is our common vision. We are also considering several reforms and changes in the company. We are rebuilding our reputation of being efficient and effective. We want to raise our bars and lead as a role model. The employees of Penden must take advantages and emerge as leaders harnessing on the four decades of experience and moving forward with change. In the course of change, some may benefit and some may have to compromise, but we should consider the overall benefit and the long-term interest of the Company. If the Company is here, we are in it. If the company

is not here, we are out. It's as simple as that. Further, if we ever want to achieve anything big in Penden, I must say, this is also the right time. We have a Board that is farsighted and very considerate with our proposals and initiatives, and therefore, we must work even harder. I must inform you today that in a few months time, we shall be joined by four Directors who shall lead our departments. The directors may be internal or external candidates, I cannot say that now, but this should surely empower us. Most importantly, this also means a very promising career path for our young colleagues. We would also invest in the diversification projects. One of our common goals should be to build capacity in the cement industry and within the next decade, sell not just cement but our expert services. At all levels, we simply need to work harder and work smarter to get there.

When I think about the Company, I do not just consider the 701 employees that we have today but always add our family members and dependents, which would make us about 2000 plus. If we count our customers, suppliers, contractors, community and the public at large who are closely associated with us, it will be in tens of thousands. Our seniors have worked hard and therefore this company has sustained almost 40 years. Now, it is our responsibility to continue the legacy and ensure that the company last centuries. Even long after we are all gone, many of our children and grand children should take it forward. That's the seed we need to sow now.

I am also very happy to inform you that our performance in 2018 is excellent. Our compact score is more than 90%. While we have lost substantial opportunities up to midyear, we have somehow pulled ourselves together in the second half. In terms of figures, due to our performance, we will be rewarded with about two month's bonus, and our hard work in 2018 will be well rewarded. **Congratulations to each one of you!** This year onwards, our performance based reward schemes are even more attractive. If we perform well, we will be rewarded much higher than never before. This will benefit both our shareholders and us. One of the most important achievements for Penden in 2018 is in becoming a vegetarian company. This will not only reduce our environmental impact but should create our own uniqueness and sacrifice for a greater cause.

I must thank all Penden employees for your cooperation and support, and hope we will be able to achieve greater things together in 2019. As I always say, "Together, we can make a difference. So, we shall work together". At the end of the day, it's the teamwork that plays well.

Today, I must also thank all the Lams, head of the local government, government agencies, Royal Bhutan Police, Royal Bhutan Army, heads and employees of the companies in the locality, school and individuals for your continued support to Penden Cement. In fact we are like a big family. I must also thank our customers, agents, stockiest, contractors, suppliers and any business associates for your continued support and business relations. We must mutually benefit, to thrive.

I must also thank all the organizing committee and participants who have made this celebration a reality. Happy 37<sup>th</sup> Foundation day!

I also take this opportunity to wish, Losar Tashi Delek, and wish everyone a successful and Happy Year ahead.

**Tashi Delek!**

**Kadrenchey la!!!**