

39th Foundation day message

My dear friends. Happy 39th Foundation day to all. This 39th Foundation day may be different in terms of the way we're able to celebrate the occasion but we remain ever patriotic and determined in our hearts to take this company forward into a better future for all of us.

It's almost three years since I have joined PCAL and I am very much a part of you already. As a young man looking out for job opportunities, I used to look up to PCAL as a model institution and a company to work for. My dream came true. However, I have joined the company in its most challenging times. Today, we're confronted with several challenges of depleting limestone reserves, increasing costs of raw materials, aging plant, and stiff market competition. The year 2020 damaged us further due to the pandemic. The supply chain was badly disrupted and the production and revenue fell into its worst since the inception. The company had to borrow money to be able to pay our monthly salary. I don't think we could face such a situation ever again. But I have a strong hope, the dream to make PCAL glorious once again. I know we can do it. We just have to keep working harder and smarter each day. That's the reason why we choose the theme for this year as "Let's Give 100% Each Day". I have the hope and the courage to revive our business, invest in new diversification projects, build human resource capacity, renovate and upgrade the cement plant, and take new initiatives that will enable a sustainable business model. We also have the task to convert regular services of our most deserving fellow colleagues who have been working in this company for decades as muster roll or ESP. If we need them, we should regularize them. Otherwise, we should ask them to look for better opportunities elsewhere. We're also short of skills in many areas. Our skill foundation is quite weak. We also need to establish a dynamic HR system. We need to build a strong system that is one for all - fair and transparent. However, I can't do it alone. I need your support. Each and every support will count. We'll have to support each other much stronger than ever. And of course, those who don't want to support will be left behind. If a change is desired, there is going to be sacrifices, and I am ready to face them. It may be my own comfort but I am committed. When I first came to PCAL, many were punished for taking risks at work for the company. But that has changed today. Today, we will reward those who are willing to take risks for the company. Working wholeheartedly for the company means fulfilling your dreams and serving the Nation. It serves everyone's purpose. Serving everyone's purpose is a very powerful mission in life.

Now that we are resolving the limestone reserves through the sourcing and exploration of quality limestone, we will be able to produce quality in-house clinker hereafter and avoid buying external clinker at huge costs. We're also working on sourcing quality coal for the long term and should not face shortages hereafter. With that, we would be left to look after the plant and ensure plant availability and efficiency. Market as such is not a big challenge for us due to the brand reputation we have established over the decades. We are also excited to commission the AAC Block Project and launch Penden AAC Eco-block in the domestic and export markets. We also have few up-gradation and modernization exercises in the plant such as the cooler up gradation and the plant automation. We will also invest in the Beema bamboo phase-II plantation. This year, we have set ambitious

targets in the Annual compact and TAS. This will enable the company to achieve more and at the same time it will be more rewarding to the team for making important milestones and getting rewarded through the PBVA and the bonus. Therefore, let's give 100% each day and make a difference in our lives and that of the people we care and work for.

On the 39th Foundation day, we are conducting a public Rimdro for the benefit and wellbeing of all sentient beings at the Ugyencholing Lhakhang. We have also decided to release Nu.200 worth of voucher to all the employees. This token may be small but it is to show that all of you matters most for this company. On our behalf, we're serving lunch to all the frontlines in Phuntshopelri Gewog who have been serving us since the beginning of the pandemic and we'll continue to receive their support and services. We're also acknowledging our top cement agents and stockist who have worked very hard during this tiring times with an acknowledgement certificate. We're also offering a week's special discount on cement for our valued customers starting from the Foundation day. We're also officially launching Penden AAC Eco-block through the print media. We're also launching our first e-Newsletter. This is our third edition since we first launched Penden Newsletter in 2019. This is yet another attempt to go digital and reduce our impact on our environment.

Tashi Delek to each and everyone of you for successfully completing the 39th year since inauguration of the company and being very much a part of it. Thank you and enjoy your Foundation day.

- CEO