



Annual Report

2016

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Snapshot of 2016



307.04

Million AED
Revenue

64.07

Million AED
Gross Profit

2000+

Total
Customers

42.2

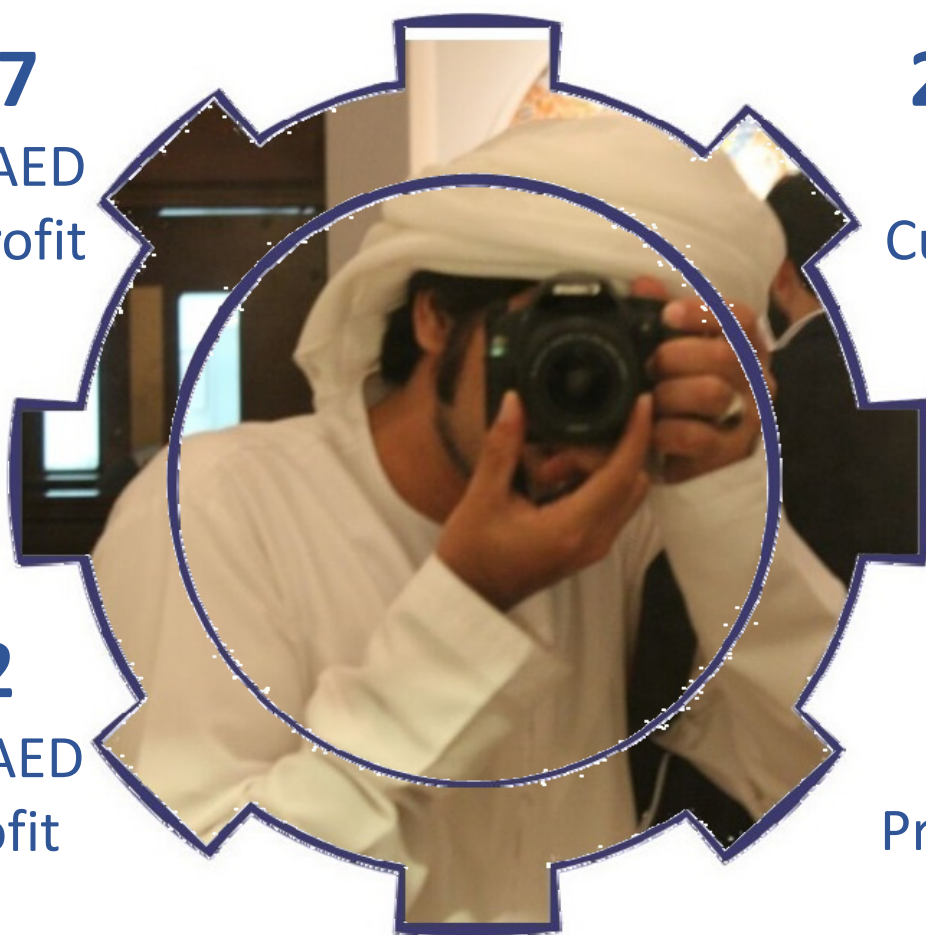
Million AED
Net Profit

2

New
Products

34.8

Million AED
Net Operating Profit



Chairman's Message



Dear Shareholders,

Let peace, mercy and blessings of God be on us. We would like to express our sincere thanks and appreciation for your trust and confidence on the members of the Board of Directors of Ras Al Khaimah Co. for White Cement and Construction Materials. We are pleased to submit to you the Annual Report for the year ended on 31/12/2016



حضرات السادة المساهمين الكرام :

السلام عليكم ورحمة الله وبركاته ،،،،،
بداية يسعدنا أن نعرب لكم عن شكرنا
وتقديرنا بالثقة الغالية التي منحتموها
لأعضاء مجلس إدارة شركة رأس الخيمة
لصناعة الأسمنت الأبيض والمواد
الإنشائية. ويسرنا أن نقدم لكم تقرير
مجلس الإدارة للسنة المنتهية بتاريخ
31/12/2016

Throughout 2016 our company has maintained a clear focus on the implementation of "Strategy 2018", which aims to improve the performance of the company. While our company's goals for the coming years, as identified by the Board of Directors, will continue to focus on lowering costs, maintaining quality of the products, increasing the sales and excellence in customer service, we also understand the importance of the human resources and accordingly adopt policy to invest on our employees and improve company's leadership capabilities.

In 2016 the company has achieved a leap in performance in spite of all the difficulties and economic challenges in the region. Gross Profit margin increased by 25% to AED 64 million, while Net Operating Profit increased to more than 34 million AED at a growth rate of 92% compared to 2015 as the investment profits of 0.55 million AED has reached 10.8 million AED in 2016.

The company has implemented several initiatives such as Pet-coke project in our white cement plant in 2016 and it has been running successfully since implementation, a proper restructuring exercise, etc. All the endeavors have finally resulted into overall savings by more than 22%.

As a result of the initiatives, the company has achieved growth in Net Profit by 172% in Net Profit with a rise to 42.2 million AED in 2016 as compared to 15.5 million AED Net Profit in 2015.

اتبعت الشركة خلال العام 2016 منهجية واضحة لتطبيق الأهداف و المبادرات الخاصة ب "استراتيجية 2018" والتي تهدف للارتقاء بأداء الشركة، فقد حدد مجلس الإدارة أهداف الشركة للأعوام القادمة و ذلك بالتركيز على خفض الكلف، والمحافظة على جودة المنتج وتطوير المبيعات والتميز في خدمة العملاء كما لم تغفل الشركة الاستثمار في الكوادر الوظيفية وتبني سياسة تأهيل القيادات.

وقد كان نتاج هذه الخطة أن حققت شركتكم قفزة في الأداء بالرغم من كل الصعوبات والتحديات الاقتصادية التي تمر بها المنطقة. فقد ارتفع هامش الربح بنسبة 25% ليصل الى 64 مليون درهم، في حين ارتفع صافي الربح التشغيلي الى أكثر من 34 مليون درهم وبنسبة نمو بلغت 92% مقارنة بعام 2015، كما ارتفعت أرباح الاستثمارات من 555 ألف في عام 2015 لتصل الى 10.8 مليون درهم في عام 2016.

كما قامت الشركة بتنفيذ العديد من المبادرات مثل مشروع الفحم البترولي في مصنع الأسمنت الأبيض و الذي تم تشغيله بنجاح خلال العام 2016 اضافة إلى مشروع إعادة الهيكلة محققة وفرا في الكلف بنسبة تجاوزت 22%.

ونتيجة لهذه المبادرات حققت الشركة نمواً في صافي الربح بلغ 172% حيث ارتفع صافي الربح الى 42.2 مليون درهم في عام 2016 مقارنة بـ 15.5 مليون درهم في عام 2015.

Chairman's Message cont....



Vision 2017:

Overall vision of the company during the year 2017 will be to continue to achieve growth by focusing on targets commensurate with the challenges of the market, while the company will continue to implement initiatives to reduce costs and will initiate a project of alternative energy that has a direct impact in cost of the company.

During 2017, the company will implement a new policy in marketing and sales to achieve a better profit margin with the increase in the proportion of sales and open new markets. The company will also pursue a policy of outsourcing some of its services to ensure the best services with high performance, reduction in the costs and more focus on operational processes.

Year of Giving:

In response to the statement of His Highness Sheikh Khalifa Bin Zayed Al Nahyan, , UAE President and the directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum, the Prime Minister and Ruler of Dubai (May God bless them!) that 2017 will be the "Year of Giving", a number of community initiatives to be implemented by our company during 2017.

In conclusion, on behalf of myself and members of the Board of Directors, I would like to extend our sincere thanks and appreciation to the shareholders for their continuous support and confidence on us and we wish them and our company more success and prosperity in the future.

Dr. Ateeq Abdullaziz Yousef J. Almansoori
Chairman of Board of Directors

رؤية 2017 :

تتمحور رؤية الشركة خلال عام 2017 في الاستمرار في تحقيق النمو من خلال التركيز على أهداف تتناسب مع تحديات السوق، حيث ستستمر الشركة في تنفيذ مبادرات خفض الكلف وسيكون لمشروع الطاقة البديلة في شركة النورة تأثير مباشر في ذلك .

وخلال عام 2017 ستقوم الشركة بتطبيق سياسة جديدة في التسويق لتحقيق أفضل هامش ربح مع زيادة نسبة المبيعات وفتح اسواق جديدة. كما انتهجت الشركة سياسة تعهيد بعض الخدمات لضمان الحصول على خدمات أفضل لتطوير الاداء والمساهمة في خفض الكلف والتركيز على العمليات التشغيلية.

عام الخير :

استجابة لإعلان صاحب السمو الشيخ خليفة بن زايد آل نهيان رئيس الدولة - حفظه الله- وتوجيهات صاحب السمو الشيخ محمد بن راشد آل مكتوم نائب رئيس الدولة رئيس مجلس الوزراء حاكم دبي -رعاه الله- أن يكون شعار عام 2017 في دولة الإمارات "عام الخير" تبنت الشركة عددا من المبادرات المجتمعية التي سيتم تنفيذها خلال عام 2017

في الختام أود أن اتقدم بالاصالة عن نفسي والنيابة عن اخواني أعضاء مجلس الإدارة بخالص شكرنا وتقديرنا للسادة المساهمين لتفهمهم ومساندتهم لنا متمنين لهم ولشركتهم مزيداً من التوفيق والنجاح.

الدكتور/ عتيق عبدالعزيز جكه المنصوري
رئيس مجلس الإدارة

Board of Directors



Dr. Ateeq Abdullaziz Yousef
J. Almansoori

Chairman



Mohamed Sultan
Mohamed Alqadi

Vice Chairman

Sheikh Nasser Bin Rashed
Bin Abdulaziz Al Moalla

Board Member



Salem Abdulla
Salem Al Hosani

Board Member

Ahmed Omar Salem Al
Kurbi

Board Member



Mohamed Abdullatif
Khalifa Alshehhi

Board Member

Ahmed Mohammed
Rahmah Alshamsi

Board Member



Ahmed Hamed
Al Subaih

Board Member

Nawaf Abdulla
Mohammed Alrefae

Board Member



Ali Hasan Ali Jakka
Al Mansoori

General Manager



Vision, Mission and Values



Vision

Excelling in construction materials that last for generations, adding beauty to the world

Mission

We manufacture and sell high quality white cement products at a Competitive price with value added services to attract and retain customers



Values

- Commitment of Excellence
- Customer Oriented
- Trustworthy and Ethical
- Result Oriented
- Creative and Open for new ideas
- Collaboration

Strategy

- Efficient Cost Reduction
- Sustainability, Quality, Innovation
- Differentiating Customer Service
- Market Enhancement Customer Wins
- Functional Capabilities
- Leadership Brand

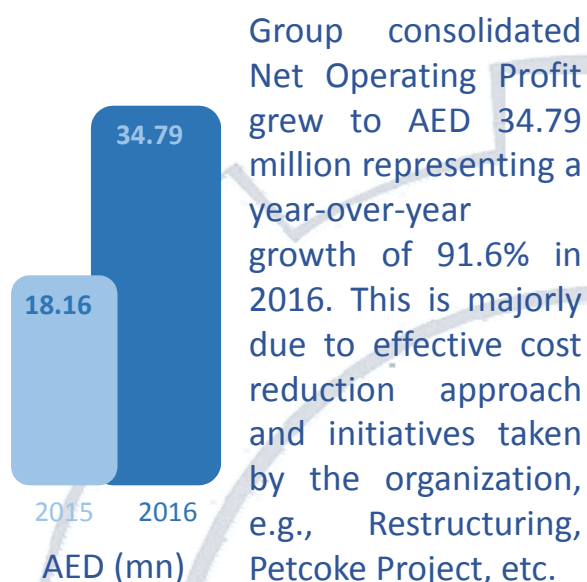
Aspiration

Maximize Operational Profit

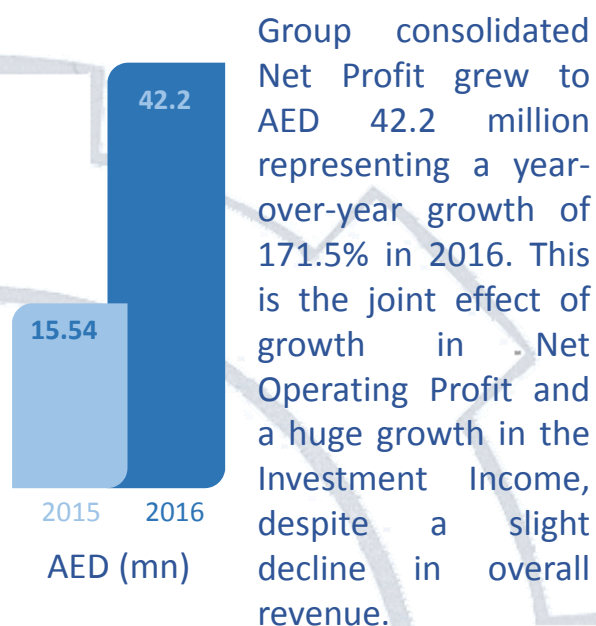
Key Operational Highlights



Net Operating Profit



Net Profit



Customers



RAKWCCM Group aggregated customers has grown by over 8% during the year 2016, despite the economic challenges in the region. This was the result of focusing on the new regions and markets (local and international), while continuing to retain our existing markets with a dedicated customer focus.

Business Revenue

307.04
AED (mn)



As we continue to thrive for business growth with market enhancement, we have managed to sustain well during the challenging circumstances in the global economy in 2016. With the ups and downs, we have managed to keep our revenue level well enough at 307.04 million AED to maximize our profit.

Key Events of 2017



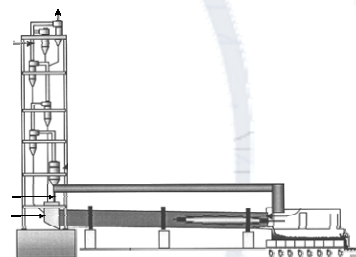
- **New Product Launch – CEM2:**

We have introduced a new brand of White Portland Cement called CEM2 in 2016. This has been introduced to the market to attain the demands of a particular segment of industries with the specification of 42.5 N standards with higher whiteness. This is an effective solution with high level of whiteness and multipurpose usage for the specific needs of that segment, e.g., Tile manufacturing, manual applications like artwork etc.



- **Petcoke Project for White Cement:**

We had initiated a project for using Petcoke as an alternative fuel, which is also environment friendly, for our White Cement manufacturing in order to have a cost effective solution to the heat consumption. We have successfully implemented this in 2016. After many iterations of a full-proof testing, we had gone live in August 2016 and have been successfully running on Petcoke since then.

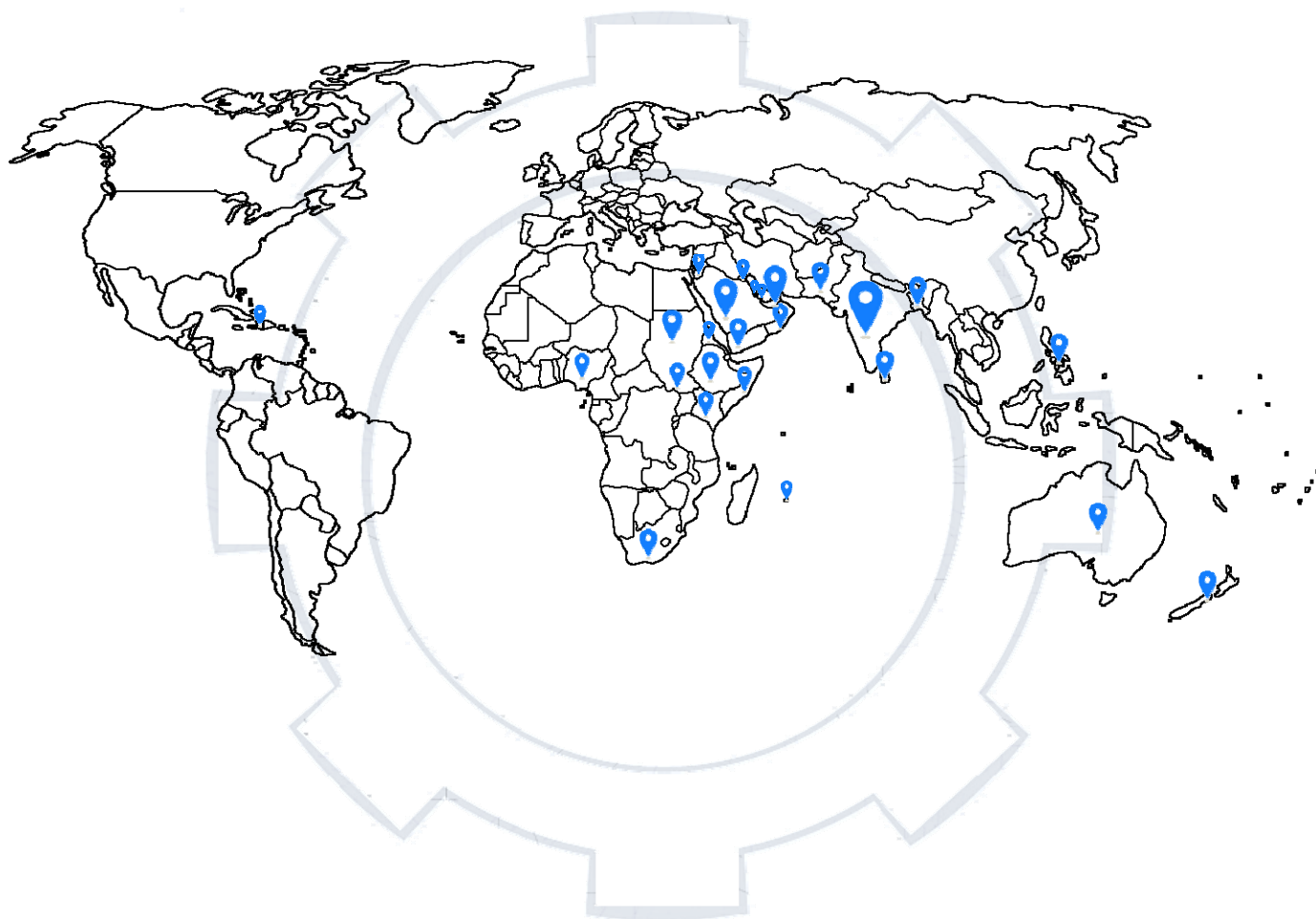


- **Establishment of Customer Service**

As a part of our continuous focus towards our customers and our value added service offering, we have set up our “Customer Service” division in order to handle all our customer feedbacks with an aim of continuous improvement in addressing the customer needs. Customer Service division also coordinates all other value added services that we offer to our esteemed customers.



Global Business Presence



Middle-East

[United Arab Emirates](#)
[Saudi Arabia](#)
[Bahrain](#)
[Qatar](#)
[Kuwait](#)
[Oman](#)
[Yemen](#)
[Jordan](#)

Asia

[India](#)
[Bangladesh](#)
[Sri Lanka](#)
[Philippines](#)

Africa

[South Africa](#)
[Kenya](#)
[Nigeria](#)
[Eritrea](#)
[Ethiopia](#)
[Sudan](#)
[South Sudan](#)
[Mauritius](#)

Others

[New Zealand](#)
[Australia](#)
[Haiti](#)

Financials



Summary of Financial Performance:

<u>Description</u>	<u>Amount (in AED)</u>
Revenue	307,043,198
Gross Profit	64,071,279
Net Operating Profit	34,792,014
Basic Earnings per Share	0.08
Total Comprehensive Income for the year	32,266,634
Cash and Cash Equivalent at the end of the year	40,572,429
Total Non-current Assets	924,390,170
Total Current Assets	291,231,817
Total Equity	844,280,616
Total Non-current Liabilities	207,064,165
Total Current Liabilities	164,277,106

Consolidated Financial Statement and Independent Auditor's Report for the year ended 31 December 2016 are attached herewith