

# impact



Issue

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## Dear Colleagues,

Greetings and welcome to the latest issue of *Impact*.

I am pleased to announce that Zamil Industrial continues to achieve impressive growth and have finished the first quarter of 2015 with an excellent net profit that represents an increase of 12 percent over the same period in 2014.

Increased activity in many of our export markets, in addition to the expansion and diversification achieved by our businesses in Saudi Arabia, have contributed to Zamil Industrial's ability to expand, despite the tenuous business climate that currently exists in many locations across the globe.

As we continue to operate a strategy of flexibility and commitment to serving our customers more efficiently, Zamil Industrial business units remain focused on expanding the scope and reach of our company by participating in local and internationally recognized events that introduce our products, people and industrial expertise to a worldwide audience.

In this issue, you will read about the innovative and dedicated practices members of the Zamil Industrial family demonstrate in their work in the office, manufacturing plant, construction site or the wider community. They are the backbone of our company, willing to contribute to the success of our business and committed to maintaining safety, health and well-being within all our workplaces for all our families and neighborhoods.

I hope you enjoy reading about the latest activities and events in this issue, and will contribute your comments and suggestions for future editions.

Kind Regards,

**Abdulla M. Al Zamil**  
**Chief Executive Officer**

# Zamil Industrial Posts SAR 73.7 Million Net Profits in First Quarter 2015

**Zamil Industrial Investment Company (Zamil Industrial) has announced its consolidated financial results for the period ended 31 March 2015.**

Net profits for the first quarter of 2015 were SAR 73.7 million (USD 19.6 million), compared with SAR 66.1 million (USD 17.6 million) during the same period in 2014,

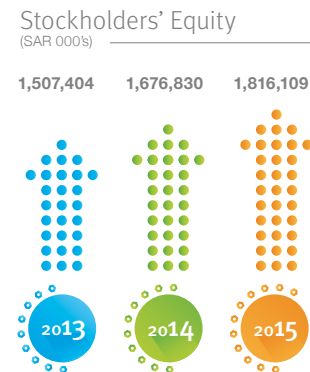
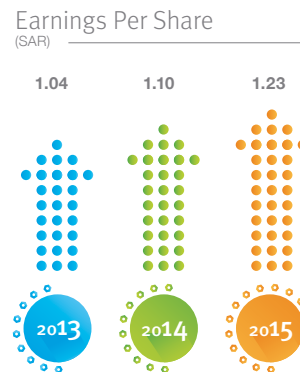
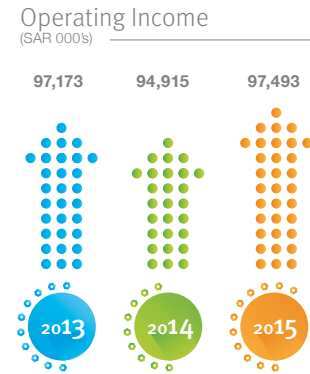
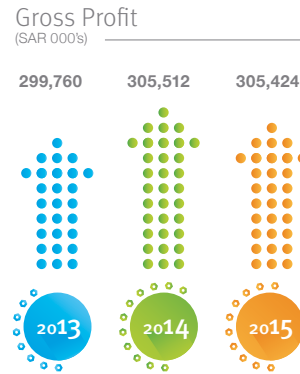
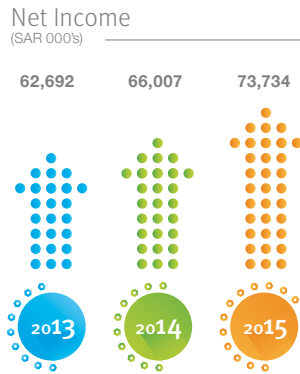
an increase of 11.7 percent, and compared with SAR 64.9 million (USD 17.3 million) posted in the previous quarter (Q4 2014), an increase of 13.6 percent.

Gross profits for the first quarter of 2015 were SAR 305.4 million (USD 81.4 million), compared with gross profits of SAR 305.5 million (USD 81.5 million) for the same period in 2014.

Operating profits during the first quarter were SAR 97.5 million (USD 26 million), compared with SAR 94.9 million (USD 25.3 million) for the same period in 2014, an increase of 2.7 percent.

Earnings per share grew to SAR 1.23 from SAR 1.10 during the same period in 2014.

## Comparison Charts of Q1 2013-2015 Financials (three months)





# Zamil Industrial Announces Ordinary General Assembly Resolutions

- **Zamil Industrial Investment Co. convened its ordinary general assembly meeting on Thursday, 9 April 2015, at the Zamil Air Conditioners Auditorium in Dammam.**

The majority of the shareholders agreed to the proposed agenda items and took the following actions:

1. Approved the Board of Directors' report for the year 2014.
2. Approved the Zamil Industrial consolidated financial statements and auditors' report for the fiscal year ending 31 December 2014.
3. Agreed to hold the Board of Directors free from any liabilities for the fiscal year ending 31 December 2014.
4. Approved the Board's recommendation for the distribution of second half 2014 dividends at SAR 1.00 per share, which represents 10 percent of paid-up capital for a total amount of SAR 60 million, in addition to the dividends distributed in the first half of 2014 at SAR 1.00 per share. This brings the total distribution for the year ending 31 December 2014 to SAR 2.00 per share, representing 20% of paid-up capital. Shareholders who were registered at the close of trading on the general assembly date will be eligible for dividends. Dividend distribution will be effective 23 April 2015 by means of transfer through the National Commercial Bank.
5. Approved distribution of SAR 2,000,000 as Board remuneration for the year ending 31 December 2014 at SAR 200,000 per Board director.
6. Approved the related party transactions between the company and affiliated companies of Zamil Group Holding Company that took place during 2014 and approved them for an additional year. It is worth noting that all the following agreements are annual or remain in effect for a specific period. They are automatically renewed, have been in force for years and are related to prolonged business relationships. The agreements were finalized using normal and standard applied commercial terms that have been agreed upon and are in accordance with internal company policies. These agreements are as follows:
  - (a) Approve related party transactions for the value of SAR 3,816,934 from Zamil Architectural Holding Company, which is owned by Zamil Group Holding Company. The latter is represented by Mr. Khalid Al Zamil, who is also the Chairman of Zamil Industrial.
  - (b) Approve related party transactions for the value of SAR 11,025,900 from Zamil Chem-Plast Industries, which is owned by Zamil Group Holding Company. The latter is represented by Mr. Khalid Al Zamil, who is also the Chairman of Zamil Industrial.
  - (c) Approve related party transactions for the value of SAR 26,007,020 from Zamil Trade & Services Holding Company, which is owned by Zamil Group Holding Company. The latter is represented by Mr. Khalid Al Zamil, who is also the Chairman of Zamil Industrial.
  - (d) Approve related party transactions for the value of SAR 20,564,832 from Zamil Real Estate Holding Company, which is owned by Zamil Group Holding Company. The latter is represented by Mr. Khalid Al Zamil, who is also the Chairman of Zamil Industrial.
7. Approved the appointment of Ernst Young as the external auditors and agreed to their service fee, as per the recommendation of the Audit Committee, to audit the company's quarterly and annual accounts for the year 2015 and the first quarter of 2016.

# Zamil Central Air Conditioners Wins SAR 348 Million Contract in Madinah

Zamil Central Air Conditioners Co. Ltd., a subsidiary of Zamil Industrial, has been awarded a new contract valued at SAR 348 million (USD 92.8 million) from Al Fouzan Trading & General Construction Co. to supply custom chiller systems for the Saudi Real Estate Development Company (Dar Al-Hijrah) project, owned by the Public Investment Fund, in Madinah, located in the western region of Saudi Arabia.



The scope of the agreement, which is the largest project awarded in the history of Zamil Industrial, includes the supply of 80 custom water-cooled centrifugal chillers with a total cooling capacity of 200,000 tons of refrigeration (TR) for use in the first phase of the Saudi Real Estate Development Company project, which is being developed in Madinah on an area of 1.6 million square meters and has the capacity to accommodate around 120,000 pilgrims.

The 200,000 TR will be generated by 80 MHI centrifugal chillers that include chiller plant management systems, inverters, refrigerant pump systems and automatic tube cleaning systems, comprising the largest district cooling plant in the world.

MHI centrifugal compressors and chillers are considered the most efficient chiller systems in the world and employ the most advanced Japanese technology; they have a cooling capacity that ranges from 270 to 5,000 refrigeration tons per chiller, which is what is needed for today's more demanding construction projects.

"The competition for this landmark project has been extremely competitive, and we are deeply honored to be chosen as the trusted HVAC supplier for this vital development in the Kingdom," said Abdulla M. Al Zamil, Chief Executive Officer of Zamil Industrial. "We are confident in our capability to meet and exceed the stringent requirements of the initial phase of this high-status project and look forward

to doing so with our customary dedication and complete attention to quality and professionalism."

Zamil Air Conditioners has been a leading provider of quality HVAC systems and solutions in the Gulf region and throughout the Middle East for nearly 40 years. The company, which has grown to attain global status, specializes in the engineering, manufacture, installation, repair and maintenance of a large range of products, including a variety of packaged units, chillers and room air conditioners designed to meet the climate control needs of virtually every type of customer.



# Zamil Steel Construction Company Awarded SAR 90.8 Million Turnkey Contract for a Shopping Mall Project in Dammam

- Zamil Steel Construction Company (ZSCC), a subsidiary of Zamil Industrial, has been awarded a turnkey project contract valued at SAR 90.8 million (USD 24.2 million) by the Gulf Real Estate Company for its new shopping mall project in Dammam, Saudi Arabia.**



The scope of the contract includes the design, fabrication, supply and erection of approximately 1,210 metric tons of pre-engineered steel buildings as well as the provision of all EPC (Engineering, Procurement and Construction) works, including civil works, electrical works, mechanical and structural works, and finishing works, for the new shopping mall project, which is owned by the Gulf Real Estate Company and located in Al Faisaliyah district in Dammam in the eastern region of Saudi Arabia.

The shopping mall project is a fast-track undertaking that includes many components. The complex safety and security requirements and challenging time frame associated with the construction will necessitate an extraordinary level of attention to detail.

This landmark shopping center will be home to dozens of local chain stores and international boutiques, and will offer a wide range of shops, restaurants and entertainment venues.

“ZSCC is widely recognized as an experienced provider of top-notch building materials, product innovations and project management services throughout the region,” said Nawaf Al Zamil, vice president of Zamil Steel’s Building Products Group. “This project is a perfect match for our company since we are turnkey project specialists. We are able to provide access to the top-quality supplies and the highly skilled staff required to complete this complex undertaking on time and to the client’s satisfaction.”

Nasir A. Albadah, managing director of Gulf Real Estate Company, stated that the new mall is the first phase of a large-scale fully integrated project that includes the development of a hotel, luxury apartments and residential towers. The project will greatly contribute to the shopping experience in the surrounding area.

The Gulf Real Estate Company, a closed joint-stock company, is a leading real estate development

firm. The company has successfully developed several world-class office towers in strategic places in Riyadh, in addition to developing a major housing complex and the Crystal Plaza Furniture Market in an area of 54,000 square meters.

Zamil Steel Construction Company, which caters to clients who require a one-stop shop for industrial and commercial steel buildings, provides engineering, procurement and construction services for setting up new projects in different market sectors and design, fabrication and supply of steel buildings as well as related civil and concrete works, erection of the steel buildings, firefighting and fire alarm systems, architectural materials, and mechanical, electrical and plumbing works on the basis of turnkey contracts through full-site management teams.





## Zamil Structural Steel Bags SAR 43.8 Million Contract for Jazan Refinery and Terminal Project

- Zamil Structural Steel Company Ltd., a subsidiary of Zamil Industrial, was recently awarded a contract worth SAR 43.8 million (USD 11.7 million) by the SK Engineering & Construction Co. Ltd. to supply various structural steel products for the Package 9 of Jazan Refinery and Terminal Project in the southern region of Saudi Arabia.**

The contract calls for the fabrication and supply of a large tonnage of pipe racks, equipment support structures, platforms, shelters, and other steel products for Saudi Aramco's Jazan refinery, which will be the mainstay of a new economic city, and will contribute to the fulfillment of economic development objectives in Jazan.

When completed in late 2016, the refinery will have the capacity to process 400,000 barrels per day. The additional refined products from the new facility will satisfy the growth in domestic demand within the Kingdom of Saudi Arabia. The Jazan refinery and terminal project will also be coordinated with a large integrated gasification combined-cycle plant, which is set to be operational in 2017.

With a worldwide reputation as the Middle East's leading structural steel fabricator, Zamil Structural Steel Co. provides expertise in the fabrication and installation of structural steel and plate works for a wide range of industrial and commercial applications. The company has gained the confidence of major international engineering, procurement and construction contractors, and has built a solid reputation among its customers as the preferred partner for structural steel solutions.



# Zamil Steel Construction Co. Awarded Turnkey Contract in Jubail

- Zamil Steel Construction Company (ZSCC) was recently awarded a turnkey project contract worth approximately SAR 13 million by the Saudi Guardian International Float Glass Company (GulfGuard) for its factory expansion project in Jubail, Saudi Arabia.



The scope of the contract includes the design, fabrication, supply and erection of more than 415 metric tons of pre-engineered steel buildings as well as the provision of all EPC works, including civil works and finishing

work, at the industrial facilities of GulfGuard, which is located in the eastern region of Saudi Arabia.

This complex expansion project is made up of several component parts that require completion within a defined time frame and demand an exceptional degree of attention to detail in keeping with the company's needs for stringent safety and security controls.

"ZSCC has developed an industry-wide reputation for delivering the finest quality and service by cultivating the appropriate supply connections and implementing efficient staffing guidelines," said Mohammed Al Sahib, director of ZSCC. "As a result, we are uniquely suited to the task of completing turnkey projects with stringent requirements within the allotted time frames."

# ZIMIPCO Wins New Repairs and Maintenance Contract with Marafiq

- Zamil Inspection and Maintenance of Industrial Projects Co. Ltd. (ZIMIPCO), a subsidiary of Zamil Industrial, has been awarded a three-year long-form contract by the Power and Water Utility Company for Jubail and Yanbu (Marafiq) in the western region of Saudi Arabia.



According to the agreement with Marafiq, ZIMIPCO will handle all fabrication and welding activities related to the repair and maintenance of stationary equipment, utilizing its highly skilled manpower and resources, at the Marafiq facilities in Yanbu Industrial City, located on the western coast of Saudi Arabia.

"The new contract adds to the company's many other repair and maintenance long-form contracts for stationary equipment, such as pressure vessels, storage tanks, heat exchangers, pumps, and piping systems, which ZIMIPCO

had successfully secured with major industrial companies, mainly Saudi Aramco and SABIC," said Ali Al Shammari, general manager of ZIMIPCO. "The company has consolidated its position as one of the most efficient and reliable plant maintenance contractors in Saudi Arabia and intends to expand its activities in the western region of the country".

ZIMIPCO offers the services of a skilled maintenance team that is capable of handling plant maintenance contracts in both long and short forms. They

are especially accomplished in the areas of turnaround and inspection, heat exchanger refurbishment, storage tank maintenance, and modification and repair of stationary equipment using an R-stamp program. The company's facility is equipped to handle the repair and modification of this type of equipment, with wall thicknesses of up to 200 mm, and maintains a skilled and experienced construction team that works mainly in the areas of mechanical installation, heavy lifting, handling of large storage tanks, and process piping.

# Zamil Higher Institute for Industrial Training Signs Additional Technical Training Agreement with Schlumberger Middle East

- Zamil Higher Institute for Industrial Training recently signed another one-year renewable training agreement with Schlumberger Middle East. The Institute will deliver a customized program to train 40 employees in oilfield maintenance technology.



Dr. Mohamed Abdulla Sharif, the director of the Institute, stated that the newly-recruited employees will be trained as oilfield maintenance (upstream) technicians and that the training program has been specifically developed for this category of employee. He also stated that the program will be delivered in separate segments in order to develop the basic skills of the trainees before they begin the specialized technical training sessions.

The first three segments of the program include general and technical English language skills, technical mathematics, work ethics and other basic support skills to ensure that the language

and other vital skills of the trainees are fully developed before they move on to the rigorous technical training segments of the program. Specialized technical courses included in the program cover topics such as low and high pressure treating equipment; types of pumps; basic oilfield electrical, pneumatic and hydraulic equipment; and preventive maintenance of a number of components.

Zamil Higher Institute for Industrial Training provides training programs accredited by the Technical and Vocational Training Corporation in Saudi Arabia and Edexcel-UK, an international qualifications

awarding body. The Institute is also accredited by a number of major national companies as a registered corporate training provider. The Institute utilizes the newest innovations in industrial training equipment and employs highly qualified and experienced professionals to develop and deliver customized training programs in addition to those on the regular schedule.



## Zamil Higher Institute for Industrial Training Signs Training Agreement with National Contracting Company

- **Zamil Higher Institute for Industrial Training recently signed a training agreement with the National Contracting Company (NCC) to train 50 of their newly recruited Saudi employees as part of the localization of their technical jobs program.**

Dr. Mohamed Abdulla Sharif, the director of the Institute, stated that the Institute will train the NCC employees in the electrical and electronics technology field in line with the company's requirement for competent electrical and electronics technicians. Individuals who undergo the required training will progress to work on vital projects in electrical power transmission and distribution systems and electrical substations.

Dr. Sharif added that the trainees will start their training program at the Institute by studying general and technical English language, occupational safety and health, fundamentals of computer applications and mathematics and science for technicians, before they commence specialized training courses to develop their technical skills. The duration of the program will be two years at the Institute followed by the completion of three months of on-the-job-training in the same field of specialization.

The program will provide participants with the technical skills required to repair and maintain electrical systems and equipment such as electric motors and generators, electrical power transmission and distribution lines. They will also develop a comprehensive understanding of the applications of electrical and electronics devices in electrical power control and the design,

construction, testing and repair of electronic circuits.

Dr. Sharif concluded that the trainees' progress will be evaluated on a continual basis throughout the training program. Once completed, the graduates will be accredited by the Technical and Vocational Training Corporation (TVTC) and will receive diplomas in electrical and electronics technology. Moreover, the accredited diplomas will enable the graduates to continue their education and training so that their skills, knowledge and capabilities are developed on a continual basis as part of the career development programs that are available within various organizations.



# Zamil Higher Institute for Industrial Training Delivers a Specialized Training Course for the Ministry of Defense

**Zamil Higher Institute for Industrial Training recently conducted a specialized training course on refrigeration and air conditioning technology developed primarily for a group of employees from the directorate of construction and maintenance of the Ministry of Defense in Saudi Arabia.**

Dr. Mohamed Abdulla Sharif, the director of the Institute, stated that the participants consisted of engineers and technicians and the course content was developed to meet the specific requirements of the directorate. He added that the course focused on developing the practical skills and the underpinning knowledge required to maintain, diagnose and repair faults in various types of air conditioning systems.

The group attended theoretical and practical training sessions and visited the Zamil Air Conditioners manufacturing facilities in order to learn more about the procedures involved in the production of various air conditioning systems and units.

This specialized course is just one part of a continuous cooperation between the Institute and the Ministry of Defense. The Institute is currently developing a comprehensive training program for many of the ministry's employees. The content of this training program will include technical English language skills as well as specialized practical and theoretical training units on operation and maintenance of various types of air conditioning systems and water chillers.



# Zamil Steel Vietnam Wins Prestigious Golden Dragon Award 2014



Zamil Steel Buildings Vietnam Co., Ltd., a subsidiary of Zamil Industrial, has been awarded the prestigious Golden Dragon Award for the 12th consecutive year. The 2014 awards ceremony was held by the Vietnam Economic Times in collaboration with the Ministry of Planning and Investment at the Hanoi Opera House on March 21, 2015.

This year's ceremony was attended by more than 400 honorable guests from different government bodies and companies, as well as 166 company representatives from different industries. The theme of the Golden Dragon Award 2014 was "To establish a fair and favorable business environment," with an emphasis on globalization and the foundation of the ASEAN Economic Community (AEC) by the end of 2015.

Zamil Steel Vietnam received the "Best Product Supplier" award in the Construction and Construction Materials Category. As one of the winners of the Golden Dragon Award, Zamil Steel Vietnam continued the impressive achievements it made in 2014 by increasing revenue, producing stable profit and making a recognizable contribution to the local community through charity and social activities.

As many as 70 foreign-invested enterprises and 95 domestic companies were honored at the 14th Golden Dragon Awards. The ceremony celebrated leading businesses that have excelled in production and business activities. The awardees were selected according to strict criteria, which included the quality of products and services produced, environmental consciousness, and involvement in corporate social responsibility activities.

The Golden Dragon Awards are co-organized annually by Vietnam Economic Times and the Foreign Investment Department under the Ministry of Planning and Investment. The purpose of the event is to recognize and honor the success of foreign investment enterprises in Vietnam and the contributions these firms make to the economy.



# Zamil Industrial Participates in “Big 5 Saudi 2015” in Jeddah



Zamil Industrial sector businesses, Zamil Steel PEB, Building Component Solutions Co., and Gulf Insulation Group companies: Arabian Fiberglass Insulation Co. (AFICO), Saudi Rockwool Factory Co., and Saudi Pre-Insulated Pipes Industries, participated in the fourth annual International Building and Construction Show. The Big 5 Saudi 2015 was inaugurated by Jeddah Municipality Deputy Mayor, Eng. Abdullah Mohammed Al-Qarni, and held at the Jeddah Center for Forums and Events from March 9 to 12, 2015.

This is the fifth year that the largest building and construction event in the Kingdom has been held in Jeddah, with more than 16,000 visitors and 545 exhibitors from 52 countries. With more than \$3 trillion worth of development projects due to start in the Kingdom by 2020, the Big 5 Saudi provided direct access to regional and international firms as it offered the opportunity to source more than 7,500 innovative products from Europe, America, Asia and the Middle East.

On-site representatives from the Zamil Industrial businesses reported brisk activity on each day of the event. Current customers came to the stands to check on new developments and renew connections, while many potential clients took the opportunity to become acquainted with the company's total building solutions philosophy and the product offerings of the individual sector businesses. Attendees included contractors, consultants and construction professionals from

the entire GCC region as well as Saudi Arabia.

Exhibitors showcased the latest products and technologies to support the more efficient and sustainable construction drive by the Kingdom. Visitors who attended the show have gained knowledge from the new “Sustainable Design and Construction” seminar series, which provided professionals with the training needed to progress within their careers.

The success of the show is testimony to Saudi Arabia's commitment to investing in and building a sustainable nation that will ultimately benefit the economy. The Big 5 Saudi has become the leading international building and construction event in the country. The event provides a platform for experts across the industry to exchange knowledge and showcase their products and services in one of the world's most buoyant construction markets.





# Zamil Industrial Companies Participate in FABEX Saudi Arabia 2015

**Zamil Pre-Engineered Buildings Co., Zamil Towers & Galvanizing Co. and Building Component Solutions Co. successfully participated in the 4th International Steel, Steel Fabrication and Metallurgy Exhibition (FABEX Saudi Arabia 2015) in Riyadh, Saudi Arabia.**

The exhibition was held at the Riyadh International Convention & Exhibition Center from April 6–9, 2015, and was inaugurated by Dr. Abdulrahman A. Al Zamil, Chairman

of the Council of Saudi Chambers. The event showcased state-of-the-art products, technology, and equipment that are produced predominantly for the iron and steel plant industry. The construction, oil and gas, petrochemical, electricity, energy, automotive, aviation, and cement industries were among those sectors represented at the exhibition.

The 4th International Steel, Steel Fabrication and Metallurgy Exhibition 2015 attracted more than 250 specialized companies from 26 countries, including the GCC states. The exhibits covered various



products, machinery and services related to iron and steel fabrication and manufacturing.

## ... and Participate in WEPower 2015 in Dammam

Zamil Structural Steel Co. and Zamil Process Equipment Co. participated in the 11th Saudi International Water, Electricity and Power Generation Conference and Exhibition (WEPower 2015), which was held under the patronage of the Ministry of Water and Electricity on April 14 and 15, 2015, at the Dhahran International Exhibition Center in Dammam, Saudi Arabia. The exhibition was inaugurated by Dr. Saleh Alawaji, Deputy Minister of Electricity, Ministry of Water and Electricity.

The two-day exhibition and conference attracted over 100 local and international companies, and the show featured the latest water, electricity and power technologies and initiatives. WEPower is Saudi Arabia's



largest gathering for the global water, electricity and power generation industry. The event gathers international public and private organizations together

to address methods of meeting the huge growth in demand for water, electricity and power in the Kingdom.



## Zamil Steel India Conducts a Successful Sales Meeting

- **Zamil Steel India recently conducted its 6th annual sales conference in ITC Rajputana, Jaipur, Rajasthan, with the entire sales team, department heads and senior managers in attendance.**

The performance of Zamil Steel India in 2014 called for a celebratory atmosphere, as the company's sales force made history in India by topping the sales results achieved in all previous years.

Nawaf Al Zamil, vice president of Zamil Steel's Building Products Group, and Salman Ahmad of Zamil Steel BPG Planning and Performance were present during the two-day conference.

During the first day of the conference, Nawaf awarded the trophies to the offices and individuals that had demonstrated top performance in 2014, while Alakesh Roy, managing director of Zamil Steel India, Sreekumar B, GM of Sales, and Venugopal, Head of Marketing, looked on.

The Pune sales office received the award for best sales office for outstanding performance; Mohid

Verma and Vignesh S., were awarded first and second place accolades respectively for the highest order booking. The highest quote conversion award was earned by Saurabh Sangani from the Nagpur office.

Nawaf thanked the young team of India Sales and conveyed the executive management's appreciation for India's excellent performance over the past few years. "We are highly pleased with the performance of Zamil Steel India in spite of the turbulent political and economic changes that took place during 2014," Nawaf confirmed.

"With the new stable government in power and the positive indications that can be observed in the business environment as a whole and in India's general economy, I am sure you will perform even better in 2015."

Compared with all previous years, Zamil Steel India performed extremely well in 2014, breaking the previous records for all performance indicators. The India operation ended the year with a 54 percent increase in job bookings over last year's order intake.

One shipment of over 34,500 MT (37% higher than the previous year) represented the highest figures for Zamil Steel in India to date.

We congratulate the ambitious Zamil Steel India team, led by Alakesh Roy, for their great leadership. Given the current positive business outlook of India and the new growth initiatives promoted by the Indian government, we are confident that the years ahead will prove to be even more rewarding.



# Zamil Industrial Internal Audit Department Conducts Management and Fraud Controls Seminar in India

As Zamil Industrial continues the ongoing implementation of plans to strengthen the internal and anti-fraud controls and build a culture dedicated to protecting the integrity of business operations, the company also continues to allocate the resources necessary to provide management with the training and education necessary to recognize and control company resources.



The Corporate Internal Audit Department recently conducted a full-day program on “Management and Fraud Controls” for key personnel in various departments of both Zamil Steel and Zamil Air Conditioners companies in India.

The seminar aims to strengthen the knowledge of management controls and facilitate an increased understanding of fraud prevention, detection and related policies, as well as review the use of internal processes and external methods to control fraud.

The program content is rich, consisting of enhanced understanding of the concepts of internal controls and application of various policies and procedures laid down by the company, and also the role of the Internal Audit Department in the organization. This unique and effective face-to-face workshop has been designed to update and improve the capacity of all levels of management to the disciplinary process and how company policies and controls should be conducted in the workplace.

The program equips management with the confidence and knowledge to enable them to carry out their responsibilities effectively.

The program was attended by a total of 30 employees, from the managing director of Zamil Steel India to the heads of all departments — Finance, Sales, Order Management, Purchases, Engineering, Operations, Maintenance, HR & Administration, Stores and Logistics.

The program covered the following topics:

- **Management Control and Responsibilities:** System of management control – Concepts of internal controls – Role of Internal Audit Department – Distinction between external and internal auditor – Performance and accountability – Approval authority – Control over collections.
- **Fraud Awareness:** Key indicators of fraud – Fraud detection methods – Contribution of management

in fraud protection – Anti-fraud policy – Whistleblower policy.

- **Contract Administration:** Contracting policy – Standard land transportation contract template.
- **Material Receipts Issue and Payment:** Material control policy.
- **Tools and Equipment Control:** Tools and equipment control procedures.
- **Finance Control:** Cash in-hand / petty cash policy – Verification of operating statements – Invoice verification control.

All the participants went back with an enhanced level of knowledge regarding company policies in order to implement and follow proper procedure as laid down by the company, to identify weaknesses, reduce risk of malpractice and provide logical and strategic solutions to problems that might arise during the course of everyday operations.



# Zamil Towers & Galvanizing Organizes QMS Internal Auditors Training

- Zamil Towers & Galvanizing Company organized a two-day Quality Management Systems (QMS) training session for internal auditors on March 9 and 10, 2015, at the Zamil Air Conditioners Auditorium in Dammam.



The instructor from ABS Group, A. Govindan Kutty, provided the best and most authoritative training on ISO 9000-based quality management systems. All the 20 candidates have successfully completed the course and examination.

Participation has resulted in improved understanding and knowledge, and provided a good foundation on which trainees can further develop their skills and expertise.

# Charitable Society for the Memorization of the Quran Students Tour Zamil Air Conditioners Factory

- Zamil Air Conditioners welcomed students from the Charitable Society for the Memorization of the Quran in Unaizah to its facility in Dammam First Industrial City on April 30, 2015. The group arrived at the plant eager to learn more about industrial operations and explore the specific processes and products of Zamil Air Conditioners.



The students toured the factory's room air conditioners and mini-split systems production lines and were impressed by the advanced level of ongoing operations at the high-tech manufacturing facilities.

The visitors observed the company's manufacturing processes in motion and were introduced to the innovative production and manufacturing methods, and state-of-the-art machinery utilized at the facility.

In addition to witnessing expertise in action and learning more about the advanced capabilities of national industry, the visit provided the students with an opportunity to develop their scientific knowledge and gain practical experience.

# Director General of HRDF Visits Zamil Industrial

- On Thursday, April 9, 2015, H.E. Mr. Ibrahim Al Moaiqel, Director General of the Human Resources Development Fund (HRDF), paid a special visit to Zamil Industrial facilities in Dammam, where he was welcomed by Abdulla M. Al Zamil, CEO of Zamil Industrial, Osama F. Bunyan, COO of Zamil Industrial, and other company officials.

The visit included a tour of the facilities on offer at the Zamil Higher Institute for Industrial Training, where he was welcomed by the Institute's officials and toured the training and educational workshops, laboratories, and other amenities. The visit provided Mr. Al Moaiqel with an opportunity to learn more about the various aspects of the facility and the wide range of engineering, technical and vocational training programs that are available to both Zamil Industrial employees and trainees from other national companies. Mr. Al Moaiqel was very impressed

with the quality standards and diverse range of programs and training equipment that is available at the Institute. He spoke of the need to offer specialized and internationally accredited vocational training programs within the Kingdom since there are ample recruitment opportunities for graduates in both public and private sector organizations. He also expressed his appreciation to the Zamil companies for their support of the Saudization and job localization programs.

Later, Mr. Al Moaiqel proceeded to tour the ladies section of the



sub-assembly line in the Zamil Air Conditioners factory and other female sections of the company. This provided him with an opportunity to observe Zamil Industrial's practices and efforts in the recruitment of Saudi women in various departments and sections of the company.

# Saudi Official Delegation Visits Zamil Industrial Facilities



An official delegation from the Saudi Arabian Ministry of Defense, accompanied by officials from the British Aerospace Company, paid a visit to Zamil Industrial on Sunday, March 15, 2015. Officials from both Zamil Industrial and Zamil Group received the delegation and delivered comprehensive presentations about the company and its various sectors and operations.

Later, the visitors proceeded to the Zamil Steel Pre-engineered Buildings plant and the Zamil Central Air Conditioners factory in Dammam First and Second Industrial Cities. There, they toured the plant and observed the production lines and manufacturing operations.

The delegation also visited the facilities of a number of Zamil

Group companies, including the Technical Seal Company, Zamil Ladders and the Guardian Industries Company. During each visit, they were accompanied by engineers who provided detailed briefings on the operation of each respective plant and an overview of the state-of-the-art production equipment in use.

During the visit, the delegates discussed potential areas of cooperation between the Zamil companies and the Ministry of Defense. The visiting delegation was also impressed by the advanced level of operations in evidence at the Zamil Industrial and Zamil Group manufacturing facilities and by the wide variety of products and services produced by both companies.



## Chairman of CIS Catering International and Services Co. Visits Zamil Industrial

- **On 28 April 2015, Mr. Régis Arnoux, Chairman and CEO of CIS Catering International and Services Company, accompanied by senior officials from the organization, paid a visit to Zamil Industrial in Dammam.**

The delegation was welcomed by Abdulla M. Al Zamil, CEO of Zamil Industrial, and Osama F. Bunyan, COO of Zamil Industrial before attending a presentation that was delivered by Abdulla Al Zamil, who shared information about the company, its products and services, and the major achievements and innovations that Zamil Industrial sector businesses have made over the past few years. The two parties discussed ways to strengthen the ties of cooperation between the two organizations in various fields.

Later, the visitors toured the ladies section of the sub-assembly line in the Zamil Air Conditioners factory

and other female sections of the company, where a female member of staff offered a brief explanation of the many services that these sections and departments provide to support the various operations of the company.

The visit included a tour of the Zamil Higher Institute for Industrial Training facilities, where the delegation was welcomed by Dr. Mohamed Sharif, director of the Institute, who presented the training services and programs to the delegates and accompanied them on tours of the workshops, laboratories and other areas of the Institute.

Members of the visiting delegation expressed their satisfaction with the production and manufacturing facilities, and were impressed by Zamil Industrial's dedication and efforts in providing suitable job opportunities for Saudi women in the industrial sector in the Kingdom, since the female population plays a major role in the sustainable development of the country.

At the end of the visit, Mr. Arnoux thanked ZI senior management for their excellent cooperation and wished the company every future success on the local and international levels.



# Zamil Steel Vietnam Launches Scholarship Fund for NUCE Students

- On March 28, 2015, Zamil Steel Vietnam awarded the first five higher education scholarships from a fund created by Zamil Steel Vietnam specifically for fourth year students at the National University of Civil Engineering.



Widely recognized as one of Vietnam's premier universities, the National University of Civil Engineering (NUCE) nurtures the talents of students and helps them prepare for future careers in the industrial engineering field. Each year, hundreds of graduate engineers begin their careers in various industrial sectors of the economy, with many NUCE alumni securing key positions in notable firms. In fact, many NUCE graduates progress to work in Zamil Steel Vietnam's engineering department.

Kumar Narasimhan, general director of Zamil Steel Vietnam, distributed this year's Zamil Steel scholarships at the university's

graduation ceremony in the presence of thousands of new NUCE graduates and many guests and university officials. In his speech, Mr. Narasimhan offered his congratulations to the scholarship recipients, praised their achievements, and wished them all the best for their future careers.

The Zamil Steel Scholarship Fund was established in 2015 to express Zamil Steel Vietnam's appreciation and support for the national education system, and to demonstrate the firm's commitment to training and nurturing the talent required for the future growth of the construction and steel industry.

The fund, which was specifically designed to support fourth and final year students of the NUCE – XF Department, grants scholarships to five students each year. Scholarships are awarded to the students who demonstrate the most excellence in academic performance and participation in extracurricular activities. The fund aims to support NUCE students over the next five years, and represents one component of the company's broader corporate social responsibility activities and programs.

# Zamil Industrial LPD Lists Achievements for the First Quarter of 2015

- Zamil Industrial takes the safety and competency of its employees very seriously and places significant emphasis on maintaining a safe work environment, reducing accidents and increasing productivity.



The Corporate Loss Prevention Health, Safety and Environment (HSE) Training and Awareness Department provides HSE and fire-fighting training programs to the respective factories on a continual basis. The training sessions cover various safety-related topics that help employees to increase their awareness and knowledge of occupational safety, health and well-being, and environmental protection. The training is conducted in both English and Arabic.

During the first quarter of 2015, the HSE and Fire Training Department at Zamil Industrial LPD provided the following training topics: Continuation of the Supervisors Development Program – Work Permit Training Program (issuer and receiver) – Home Safety – Personal Protective Equipment – Crane Safety –

Industrial Hygiene – Ergonomics – Radiation Safety – Volunteer Fire Brigade – Heat Stress – Defensive Driving Safety Program – Forklift Safety – Environmental Protection – Lock-out/Tag-out Program – Fall Protection – Comprehensive Security Training Program – Security Supervisor Training Program.

By the end of the first quarter of 2015, the HSE and Fire Training Department had provided all Zamil Industrial business units with an estimated 1.11 hours of training per employee. A total of 253 training sessions were conducted: 141 in English and 112 in Arabic. Between January and December 2014, 2,679 employees underwent various training programs and classroom safety education and awareness sessions, of which 1,487 were conducted in English and 1,192 in Arabic.

As part of an ongoing commitment to health and safety awareness, the Corporate Loss Prevention Department (CLPD) delivered four specific initiatives to mark World Cancer Day, Electrical Safety, the Civil Defense Day, and GCC Traffic Week.

The CLPD Support Services section, which handles government relations with regards to safety and fire protection, has provided support to all Zamil Industrial businesses and factories to ensure renewal or successful attainment of Civil Defense and Presidency of Meteorology and Environment (PME) certificates, which are mandatory under current government regulations and an important aspect of client project requirements.





### Completion of the First EAP Fire Drills of 2015 for Zamil Industrial Businesses' Factories

The implementation of the Emergency Action Plan (EAP) Program across Zamil Industrial businesses' factories for the first quarter of 2015 has been successfully completed. Both Dammam- and Riyadh-based manufacturing plants of Zamil Industrial Insulation and Concrete sectors successfully conducted their respective scheduled EAP fire drills.

The fact that all fire drills were accomplished despite the required adjustments to schedules to accommodate important plant activities and unpredictable weather conditions acted as testament to the level of support and commitment of the respective factory managers to ensuring compliance with the program.



The continuing implementation of the EAP Program at Zamil Industrial joint venture businesses' factories has resulted in some notable improvements at each of the participating factories with respect to the acquisition of emergency equipment, readiness of emergency utilities, such as

fire alarm systems, and the extent to which designated EAP key personnel are familiar with their roles and responsibilities.





# Zamil Industrial All-Star Basketball Team Wins Championship



The Zamil Industrial All-Star Basketball Team completed the 2015 season with an impressive performance in the 15th UFBF (United Filipino Basketball Federation) Inter-Company Division Class “A” Basketball Tournament.

When the Zamil Industrial All-Star Basketball Team faced the number one team in Group A of the Inter-Company Division Finals at the Al-Qadisia gymnasium, it was truly a showdown between the best teams in the UFBF.

With 8.8 seconds left on the clock, the jaw-dropping ballgame was tied at 78-78 and supporters of both squads were glued to their seats in anticipation of the action-packed outcome. At the final ticks of the last frame, supporters of the Zamil Industrial squad cheered louder when ace forward, Wilson Paez, intercepted the ball and scored the game-winning basket. The ball rolled around the rim and went into the basket just in time to beat the buzzer and give the Zamil Industrial All-Star Basketball Team IBT-4 the championship title. Earlier, the team defeated the number two team, Arabian Point Eight Power Co. Ltd. (APEP), to clinch a place in the finals in an

equally gripping contest. Top scorer Sherwin Margallo contributed 21 points, Wilson Paez 16 points, Albert Patdu 14 points, and Carlo Algerre 9 points; Ammar, Patrick Hermosura, and Jeffrey Ortiz scored a combined total of 18 points. The most valuable player (MVP Finals) award went to Albert Patdu of Zamil Steel PEB. Joining Patdu in the Mythical Five were ZIBT players Carlo Agerre of HR and Bong Libramonte, plus two players from the other team. Nestor Martinez received the award for Best Coach.

The roster of Zamil Industrial All-Star Basketball Team IBT-4 reads as follows: Albert Patdu of ZS PEB, Patrick Ryan Hermosura of BCOMS, Carlo Algerre of HR, Mark Glenn Cruz of ZAC Corp. Tech & Engineering, Mark Daryl Baradas of ZAC Accounts, Jeffrey

Ortiz of ZAC Consumer, Wilson Paez of ZAC, Sherwin Margallo of ZAC, Ammar, Miguelito Placino and John Anthony Magallanes of Zamil CoolCare, Bong Libramonte of ZAC Applied, Erwin Flores of ZS PEB, Louis Roberto of Zamil CoolCare, Khalid El-Taher of ZS PEB Engineering, Rolly Villanueva of AFICO, Nestor Martinez of ZSCC (Head Coach), Rey Manalo of PEB-Engineering (Asst. Coach), Mon Santiago of PEB Engineering (Asst. Coach), and Meng Natividad of ZSCC (Team Manager).

Congratulations to the entire Championship Team, and thanks to all our management, staff, and supporters. We look forward to next year’s tournament.

# Zamil Industrial Team Wins Cricket Championship

● **Congratulations to the Zamil Industrial Cricket Team on winning the Abahsain Lincoln Premier Cricket League Championship! They overcame tremendous odds to secure a hard-won victory over the number one team in Dammam.**

The team fought hard to bring home the trophy and progress to win the Abahsain Lincoln Premier Cricket League for the first time. Players and spectators enjoyed an engaging cricket match as one of the world's most watched sporting events premiered in Dammam. Although the Zamil Industrial team faced extremely tough competition, our skilled and motivated players emerged as the tournament leaders.

The participating teams were: Abahsain, N S H, Lincoln, Kanno, Zamil Industrial, CEPRO, Arclinc, Welspun. Zamil Industrial won the competition, beating Lincoln in the final. Man of the match went to Mr. Musni (Zamil CoolCare) for outstanding batting and fast bowling.

Overall, the Zamil Industrial team played a very clever game of cricket combined with consistent and impressive teamwork.



The members of the Zamil Industrial Cricket Team were: Hashmat Ali, Shakibullah, Raziq, Musni, Mehtab and Sajith of Zamil CoolCare (Dammam); Arman and Shahid of Zamil CoolCare (Jubail); Harshal Upadhyay, Zaid and Rafeeqe of ZAC Consumer Division; Vipin, Prakash, Ali, Wazeem and Malindra of ZAC Applied Division; and Sajeew Arachchige of ZAC Corporate.

The Zamil Industrial Cricket Team expressed their gratitude to Zamil management for the tremendous support they received and were grateful for the opportunity to participate in a world-class event that empowered and enriched our company and its multi-talented employees.





# Zamil Industrial Employees Gather to Enjoy Sports Fest 2015

● The Zamil Industrial Sports Fest 2015, which began on March 20, 2015, at the Zamil Camp in Rakah, Khobar, with the participation of more than 570 employees from across 18 business units, came to a marvelous end on May 1, 2015, with the support and coordination of the event organizing committee, managed by Corporate Facility Management.



The company-sponsored sports events, camaraderie and good-natured competition highlight the importance of teamwork in the workplace as well as on the court

or field, in keeping with this year's theme, "We Are One Team."

The season consisted of four main events: football, basketball, volleyball and cricket.

**Football** – Twelve teams participated in the tournament, competing aggressively until Zamil Admin and Zamil Applied remained to face each other in the final game. Once again, last year's history repeated itself as Zamil Admin won the match.

**Basketball** – Twelve teams began the tournament, and Zamil CoolCare emerged as the champion after the final game.

**Volleyball** – Eight very talented teams started the league race to

bag the title of champion, but for the fourth consecutive year Zamil Applied was victorious.

**Cricket** – Thirteen teams started the battle in the long league games. The final match was between ZAC Corporate and Zamil Applied. With a nail-biting finish, Zamil Applied became the champions once again. This is their hat trick championship victory.

The closing ceremony was conducted in the most organized and spectacular manner. It was also the venue for the spot marathon and tug-of-war. Ahmed Al Zamil officially signed off the event by addressing his fellow employees.