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SKM HIGHLIGHTS

Issue #104

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S.K.M Air Conditioning LLC

SKM Exhibits at:

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**HI-EFFICIENCY SKM CHILLERS
ARE NOW ALSO**

AHRI CERTIFIED

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A word from the COO

internally and externally but I can see us overcoming those not making them stop us achieve our objectives by any means.

I do want to urge our global sales team to grab more orders and grow their booking levels higher as we move into the second half of the year so we can start with a healthy backlog in 2017 as we did starting 2016.

I also want to urge our production, Engineering and Operations team to apply our fast track approach on all our orders in the pipeline with no compromise on quality.

Let's close a healthy 2016 and prepare for successful years to come....

Once again, Ramadan Kareem and Eid Mubarak....

Dear Colleagues,

IN

First of all I want to wish Ramadan Kareem and Eid Mubarak to you all and your families. During this quarter we have been very busy with a lot of our strategic objectives. Expansion plans are also in their kick off stages however analyzed initially in more of "slowly but surely" tactic.

This quarter I was very pleased with our motivation programs and the new faces we have seen in the Employee of the Quarter and project team of the quarter ceremony as they received their prizes. It is great to see this level of enthusiasm and team work attitude growing stronger in the organization.

I want to congratulate them again and wish them all the success hoping to see more new faces next quarter.

As we stand now at the end of the second quarter of the year, we are in the middle of a lot of action plans which we are all working on to wrap up and finalize.

We do have bottlenecks and challenges

Abdul Karim Al Saleh

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Hi-Efficiency SKM Chillers are now also AHRI Certified.

SKM chillers APCY-H/S has earned the trusted AHRI Certified™ mark, an assurance of the product's performance.

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A Word From The CFO

Dear Colleagues,

Ramadan Kareem and Eid Mubarak,

We are closing our second quarter with a slow pace in relation to order intakes and booking levels however our backlog levels in the pipeline stay healthy as we enter the third quarter.

A lot of our infrastructure capital expenditures are coming to life this quarter in relation to renovations, new setups, stores and IT improvements.

We are also pleased that SKM has started securing new large customer accounts and returned previously lost accounts which we are sure we will secure long term relationships with as we move forward in the years to come.

As we are entering Q3 we are continuing our careful approach on our spending patterns and with a more risk mitigated strategy.

We are also currently monitoring the Middle East and global markets hand in hand with our banks and partnering international institutes as we move forward to reduce any foreign exchange and trade risks on our monetary transactions.

We continue the countdown as we are 2 quarters away from closing 2016 and we need to continue our hard work with a %110 efficiency to get our plans achieved...

All the best to us all...

Ahmed Fahmy



A Word From Engineering and R&D Director

Engineering and R&D works with innovation and development of products essential to the company's growth and survival. In a fast-paced industry, SKM Engineering and R&D is constantly developing design and range of products by adapting the latest technology while keeping the company's marketability.

Through the efforts of the team, SKM accomplished various certifications from local, regional and international recognitions (e.g., AHRI, EUROVENT, UL, SASO, ESMA) representing the products accredited in accordance with established standards.

To continually boost performance and competitiveness of SKM products in the market, Engineering and R&D is currently engaged in several projects:

- Extending Lab facilities capable of testing diverse capacities.
- Merging Design division in Engineering to centralize products' design.
- Creating technical database for the company.
- Separating R&D division focusing on new products development.
- Creating a new Strategic Projects Division for high value custom-built units.
- Developing new products equipped with low GWP refrigerants, inverter technology and suitable for T1 markets (other than GCC).

SKM Engineering and R&D does not only settle in limited ideas, rather reach out more points of view from the society, young and fresh minds through dealing with Universities and other organizations and attending exhibitions worldwide.

To end, rest assured that Engineering and R&D pushing beyond heights and limits for SKM's progress and success, expecting a more passionate and goal-oriented team ahead of years to come.

Burhan Jaber

Engineering and R&D Director



SKM Receives Award for being one of the topmost exporters in Sharjah

S SKM received award for being one of the topmost exporters in Sharjah in recognition of its efforts and positive contributions in boosting the export movement in the emirate of Sharjah. The companies that were selected for this award are ranked in the best 50 exporting companies in Sharjah for 2015.

The award was presented by the Chairman of Board Mr. Abdallah Sultan Al Owais and received by Mr. Abdul Aziz Al Besharah from SKM, it was organized by The Chamber of Commerce & Industry Sharjah and Sharjah Export Development Center on 14th April 2016.



1- Mr. Abdul Aziz Al Besharah and Mr. Ahmed Fahmy (CFO) holding the Award.

2- Mr. Abdul Aziz receiving the award.

SKM Exhibited at ISK-SODEX EXPO Turkey 2016

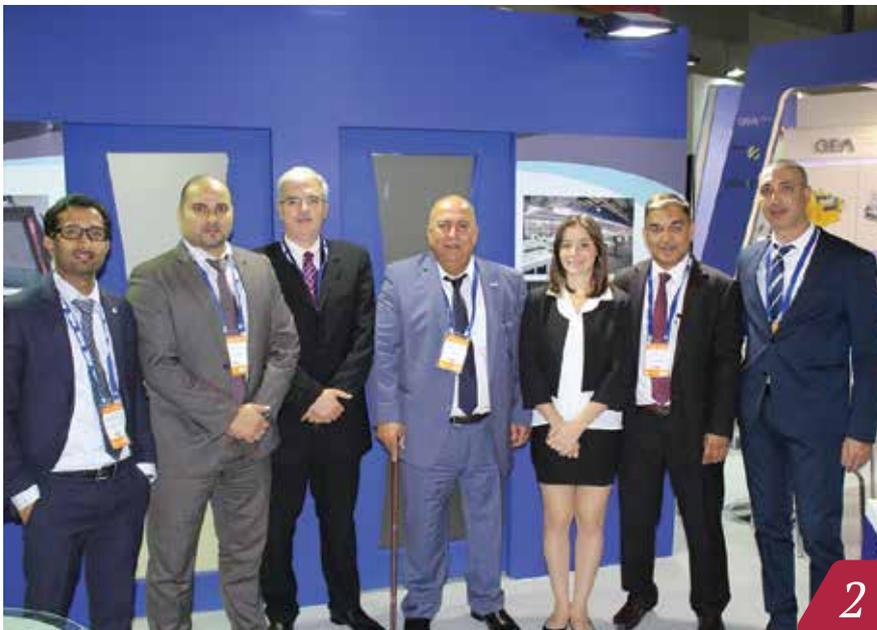
SKM showcased its latest Chiller Series ACMR alongside the VRF SV series and AHRI Certified Fan Coil Units with EC motors.

S SKM exhibited at ISK-SODEX Exhibition Turkey held from 4th to 7th May 2016 at Istanbul Expo Center, Istanbul. ISK-SODEX is an important event for sector professionals who would like to keep up with the latest developments and trends.

ISK-SODEX not only offers to gather different point of views from both its national and international exhibitors but also present lots of advantages to its visitors with the supporting program and co-operations with the most important sectoral associations.



1



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1- SKM stand at ISK-SODEX .

2- SKM Team at the Exhibition.

3- Mr. Shahnam from marketing discussing client's requirements.

4- Mr. Nadeem (Director After Sales) giving information to the visitors.

3



RECENT LANDMARKS & MAJOR PROJECTS AWARDED TO SKM:

ADNOC GAS STATIONS – NORTHERN EMIRATES

SKM has recently supplied rooftop packaged units for various ADNOC Gas Stations across the northern emirates.



RYAN INTERNATIONAL SCHOOL SHARJAH

SKM has been Awarded Ryan International School project in Sharjah to provide rooftop packaged units and ducted split units.



VOLGA HANGAR- SHARJAH AIRPORT

Located at Sharjah Airport, Volga hangar project has been awarded to SKM to supply rooftop packaged units.

UMM AL HOUL (UAH) QATAR



SKM got approval for one phase of Umm Al Houli (UAH) Integrated Water & Power Project (IWPP), a project under construction in Qatar. SKM will be supplying its Modular Air Handling Units (MAH) and Air Cooled Condensing Units (ACUS).



MUKALLA MALL YEMEN

SKM has been awarded Mukalla Mall projects in Yemen to provide commercial ducted split units.



NESTO HYPERMARKET – AJMAN

SKM has won Nesto Hypermarket project in Ajman to provide various rooftop packaged units and ducted split units.



SKM Participates @ NEW ECONOMIC ERA FORUM DUBAI 2016



S SKM participated at New Economic Era Forum organized by FCCI, Federation of U.A.E Chambers of Commerce & Industry at Grand Hyatt Hotel Dubai on 17th May 2016.

The forum provided the opportunity to exchange views between the industry participants and share insights. It was also attended by trade/commercial sections of various embassies in the U.A.E



1-Talking to Mr. Mohamed A. AlNuaimi Assistant Secretary General of FCCI.

2-Opening Speech by FCCI.

3-Mr. Nabil (Marketing Director) talking to media.

4-Questions & Answers session between the participants and speakers.

TRANSLATING THE STRATEGIC ORGANIZATIONAL GOALS INTO ACTIONABLE INITIATIVES

The new management in SKM has set in a clear strategic plan for achieving the top most organizational goal- 'Total Customer Satisfaction'. To achieve this goal, complementary control strategies and policies were implemented to strengthen the operational efficiency. It was vital to ensure all departments and employees are working towards the common goal and equally imperative to reinforce the Internal Control Systems and the Software Systems infrastructure, so as to equip our manpower with state of the art information technology tools and seamlessly integrated software solutions. Cost Control & Planning and IT departments in SKM are working hand in hand to initiate new Internal control procedures & policies, methodologies & business solutions, a few of which are listed below.

PROJECTS COMPLETED

- Sales Management Tool-SMT for presales activities (including Forecasting tool & Product pricing & Quote Generator).
- Product Configuration Systems-PCF (for Engineering Data Management)
- Order Processing Automation (Seamless integration of SMT & ERPLN for converting Quote to Order)
- Performance Dash boards (monitoring & controlling of Sales Plan)

PROJECTS UNDER DEVELOPMENT

- Enterprise Relationship Management System (with advanced Project Management, Tracking & Control systems, Time & Expense management)
- Customer Relationship Management tool for handling Marketing activities, Lead generation, tracking of opportunities & Customer Data management.
- Business Intelligence tools with advanced performance Dash boards for Monitoring & Control of all Business activities.

FUTURE PROJECTS

- Enterprise Asset Management System (EAM) including Facility Management and After Sales Services activities.
- Upgrading ERP systems to the newest version (Infor ERPLN 10.5) to increase operational efficiency, productivity and thereby customer satisfaction.

Kudos to the CCPD & IT team who has worked behind these projects and wishing them all success in the ongoing and future projects.



Steps Towards ..

LEAN MANUFACTURING

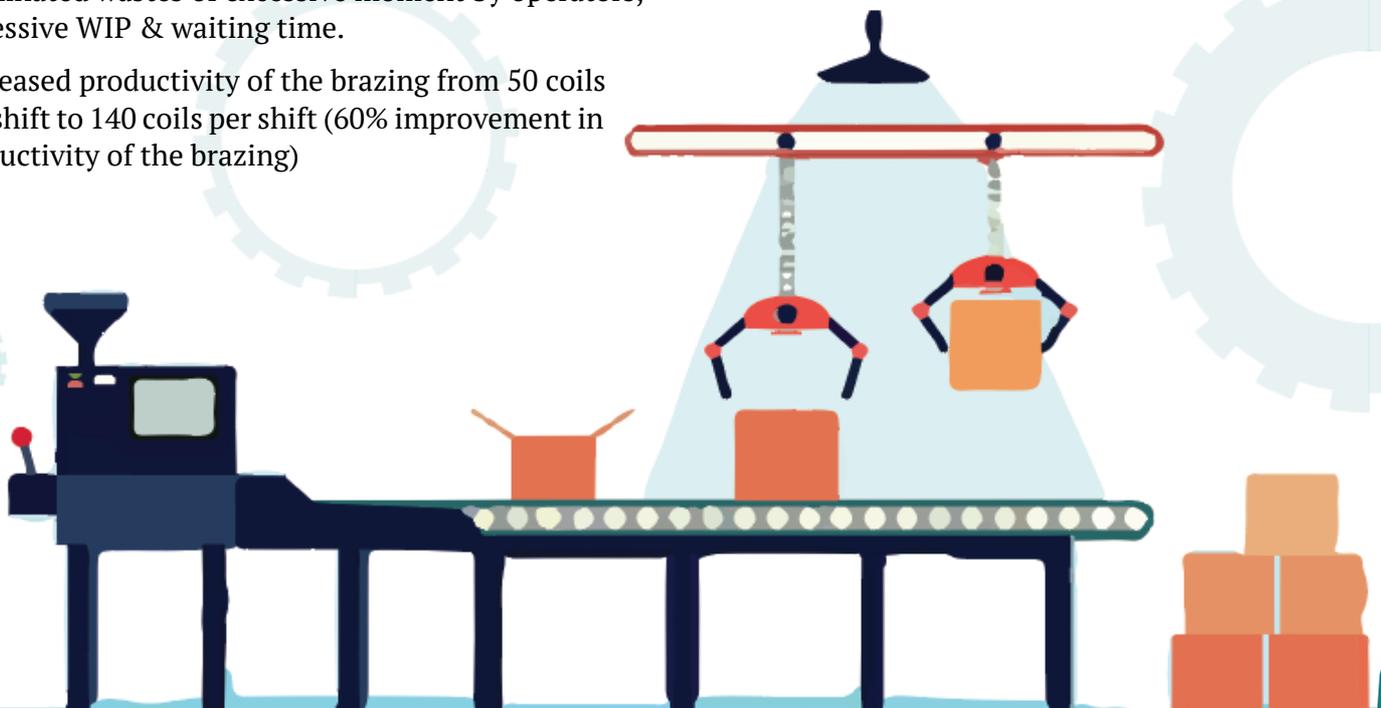
SKM has successfully implemented single piece flow assembly in the Unitary assembly section for the entire range of Unitary products and single piece flow line for Coil brazing. This implementation has increased productivity by eliminating the basic wastes in the process, also has increased flexibility of using the operators and having better control on the process.

Highlights of Unitary Assembly Line:

- Achieved single piece flow by introducing two conveyor lines.
- Capacity of the Unitary assembly section increased to 2200 units per month (20 working hours a day) with the current mix of products.
- Productivity has been increased by reducing the wastes in the process.
- Digital monitoring of hourly output from the line.
- ANDON signalling lights for assistance.

Highlights of Coil Section Brazing Line:

- Achieved single piece flow by introducing 2 conveyor lines which serve Unitary & Applied individually.
- Eliminated wastes of excessive moment by operators, excessive WIP & waiting time.
- Increased productivity of the brazing from 50 coils per shift to 140 coils per shift (60% improvement in productivity of the brazing)



SKM Signed Distribution Deal with OMASCO FOR APPLIED PRODUCTS

SKM has concluded distribution deal with OMASCO (Oman Marketing & Services Co LLC) to be its distributor in Oman for applied products. The deal was signed in May 2016 by SKM and OMASCO. SKM has been supplying its products from decades to many projects in Oman for residential, commercial and oil & gas projects. Here are the contact details for OMASCO:

Oman Marketing and Services Company LLC
Projects & Engineering Division
Telephone: +968-24117304
Fax: +968-24117317
Email: Kishore.Chandrasekharan@omasco.com.om

SKM Finalized Distribution Deal with IDEAL PROJECTLINK FOR APPLIED PRODUCTS

SKM has signed the deal with Ideal Projectlink Trading WLL to be its distributor in Bahrain for applied products. The deal was signed in May 2016 by SKM and Ideal Projectlink. It is one of series of steps which SKM is taking to facilitate it customers further across GCC, SKM has already supplied its products to many landmark projects in Bahrain including World Trade Center Bahrain and National Theatre of Bahrain in Manama. Below are the contact details for Ideal Projectlink:

Tel : +973 17784374, +973 17786253
Fax : +973 17785391
E-mail : sales@idealprojectlink.com



ANOTHER SKM SPORTS TOURNAMENT

SKM held its annual sports tournament from March 28th to April 10th 2016 at SKM recreation hall. It was arranged for tennis and billiards. Congratulations to all the winners:



Table Tennis - Singles

First Place

Mr. Irfan Mohammad Khadeer
from Engineering and R&D



Table Tennis - Doubles

First Place

Mr. Shaju Fernandez
from Engineering and R&D &
Mr. Charly Chacko from HRD



Billiards

First Place

Mr. Irfan Mohammad Khadeer
from Engineering and R&D



SKM HELD IFTAR TENT IN UAE AND KUWAIT

S Believing in SKM's corporate social responsibilities, SKM held Ramadan Charity tents in both UAE & Kuwait to host Iftar meals for fasting and needy people for the whole month of Ramadan. SKM aim was to support needy people and show compassion and solidarity with them in addition to participating in making the world a better place.

SKM charity tents hosted around 15,000 people during the holy month in a peaceful atmosphere with the participation of SKM volunteering employees contributing a total of 450 volunteering hours.



UPCOMING EVENTS

VISIT SKM AT SOUTH AFRICA CIS 2016

SKM is all set to participate at CIS 2016 (Cape Industries Showcase) being held at Cape Town International Convention Center, Cape Town, South Africa from 6th to 8th September 2016. Visit our stand B17 in Hall # 3 and get to know more about our new and energy efficient products.



SKM Welcomes ITS HONORABLE GUESTS FROM MINISTRY OF JUSTICE KSA



SKM welcomed its honorable guests from Projects and Construction Department of Ministry of Justice KSA, Engr. Hani Hasouna, Engr. Yousef Al Otaibi and Engr. Ahmed Abdelshafy. They were received by senior management of SKM, Mr. Asim (Sales Director Applied), Mr. Fady (Director Unitary Business),

Mr. Nabil (Marketing & Business Development Director) and Mr. Nadeem (Director After Sales). They also visited SKM manufacturing facility and appreciated the quality management processes and production capabilities of SKM.



*SKM Directors with
the Guests*

SKM STAFF IFTAR PARTY - SHARJAH

SKM hosted iftar party for all staff on Thursday 16th June at Radisson Blu Hotel Sharjah to celebrate the spirit of the Holy month of Ramadan. Managing Director of SKM Mr. Mubarak Al Besharah also awarded certificates to Employees of the Quarter at the event.



Mr. Mubarak Al Besharah (Managing Director) speech to SKM staff.



SKM Staff at the Iftar Party



Production Team receiving Special Achievement Award



Mr. Ahmed Fouada (HR & Admin Manager) giving the opening speech.



(From left to right) Mr. Mubarak Al Besharah, Mr. Jamal, Mr. Ahmed Fahmy and Mr. Mohammed Al Besharah

SKM HOLDS IFTAR PARTY IN KSA



SKM Sales Team at the Iftar Party in Dammam

To celebrate the spirit of Ramadan, SKM held Iftar party for the clients in Riyadh and Dammam on 21st and 22nd June 2016 respectively. (It was attended by leading consultants, contractors and end users.



SKM Sales Team at the Iftar Party in Riyadh





**HI-EFFICIENCY SKM CHILLERS
ARE NOW ALSO
AHRI CERTIFIED**

SKM chillers APCY-H/S has earned the trusted AHRI Certified™ mark, an assurance of the product's performance.

AHRI Certified™ is the trusted mark of performance assurance for heating, ventilation, air conditioning and commercial refrigeration equipment.

AHRI CERTIFIED®
www.ahridirectory.org

Air-Cooled Chillers
AHRI Standards 550/590 and 551/591

SKM RECEIVES AHRI CERTIFICATION

For Air Handling Units MAH series

SKM has received AHRI Certification for its Air Handling Units MAH series, in accordance with AHRI -1350 standards. SKM is honored to receive this level of recognition and is committed to regularly reviewing quality of its products to continue to be at the forefront of its industry.

The certification covers the mechanical characteristics of the unit including:

1. Casing Leakage
2. Casing Strength
3. Thermal Transmittance
4. Thermal Bridging Class

This certification further strengthens SKM's commitment to its customers to "continuously improving its products and services that will meet or exceed its customers' satisfaction". In addition to that, SKM is one of the few manufacturers in the world to have this certification.



AHRI CERTIFIED®
www.ahridirectory.org

Central Station Air-Handling Unit Casings
AHRI Standard 1350

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SKM Wishes you



EID MUBARAK

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