

READY MIXED CONCRETE (H.K.) LTD REPORT SUMMARY

Ready Mixed Concrete (H.K.) Limited (RMC) has been in the design, production, and delivery of ready mix concrete to the construction industry in Hong Kong since 1972. As the market leader in terms of market size, productivity, quality, profitability, and research and development, RMC operates over 240 mixer trucks, eight (8) ISO 9001 certified plants, and one (1) HOKLAS (Hong Kong Laboratory Accreditation Scheme) Laboratory.

Quality Excellence

The concrete business is getting more competitive as customers are demanding higher quality, strength, and service at competitive prices. In order to make an achievement in Quality and Productivity, all staff in RMC, from operatives to managers, devote total commitment to Quality, Services, Technology and Teamwork. This has become the Quality Mission of our company to continually further our success:

1. Total Quality End Products
2. Total Customer Service
3. Total Teamwork Motivation
4. Total Technology Innovation

RMC strongly promotes continuous concrete quality improvements by achieving high performance concrete, increasing plant and truck efficiency, just-in-time delivery and maintaining customer satisfaction.

To achieve this aim, RMC continually monitors our market environment to determine our strengths, weaknesses, opportunities and threats.

Leadership

A clear direction and goal for a group is the initial element toward success. The Managing Director, Mr. Chow Tsun-Wing, is the key person who plays the role to convey and implement the Quality Mission for RMC.

At the beginning of each year, the Managing Director conveys and implements a target theme for the Company to further enhance the existing Quality Policy.

All levels of employees are involved in the attainment of quality. Each employee knows and understands the Company's Quality Policy and job duties' in the achievement of consistent quality and customer satisfaction.

Total Quality End Products

Our customer's needs encompass quality concrete to be delivered on demand just-in-time to their work sites. RMC is the only concrete company in Hong Kong to operate a HOKLAS accredited laboratory to perform quality control tests, design mix proportions, and research and development. This ensures a high standard of quality and control.

RMC's concrete production has increased steadily since 1992 with annual production over 2 million cubic meters. Rejected concrete for such high production has consistently remained below 0.1% for the past three years. This has been the result of re-engineering of plant production processes and computerization.

Total Customer Service

RMC is committed to customer's long term success and satisfaction. Throughout the years, RMC has built a good image based on quality product and service. Annual customer survey shows our customers are satisfied with our quality and service with complaints decreasing by 71% since 1993.

Customers' demands for quality product and service is met through efficient and effective production plants which include wet-mix and slurry blender plants. Delivery efficiency is enhanced by the recently implemented "Satellite Truck Tracking System", which provides instantaneous live information about truck movements.

Ready mix concrete must be manufactured, inspected, transported and placed at the customer location generally within two hours. Computer Integrated Manufacturing developed in 1985 provides the communication link between the head office, batching plants, and customer sites to ensure Just-In-Time (JIT) delivery demands. Computerized information systems provide highly reliable and accurate data for performance analysis. Because the plants are strategically located away from the head office, instantaneous information is very important for quick decision making to meet customer's delivery demands.

RMC recognizes that company staff are one of the major assets for continuous growth and improvement along with high quality products and services. Therefore, surveys have been conducted annually within construction and concrete industry to determine the training needs, education programmes and employees' reward systems required to meet company developments. As an aim to be world class, RMC has been strongly promoting multi-skills to enhance job opportunities and to increase job security to promote employee loyalty and contribution.

RMC regards safety at work as important as production and highly values employee's well-being at the work place and at site. An integral safety management system is therefore enforced to protect our employees, drivers, and third parties. In order to promote and monitor safety performance, an independent Safety Department has been set up to provide:

1. Safety Education and Training
2. Site Inspection and Monitoring
3. Accident Investigation and Analysis

For 1996, employee absenteeism was 100% below the Hong Kong Institute of Human Resource Management Statistics while employee turnover was 25% below the construction industry's average.

Total Technology Innovation

RMC has invested heavily in research and development to become the Hong Kong innovator in plant and concrete technology, and setting the trend for high performance concrete. A newly developed concrete product, known by RMC as Super Performance Concrete (SPC) has a wide application and solves the inherent problems in normal concrete behavior which have existed for centuries. RMC is the only concrete company capable of supplying SPC commercially in Hong Kong with concrete strength of 100 MPa (14,500 p.s.i.) upto 150 MPa (21,750 p.s.i.).

With new re-engineering of plant production processes, the plants are capable of breaking new production records. RMC's Super Plant at Chek Lap Kok is capable of producing 300 cubic meters per hour.

RMC has been the forerunner in implementing environmentally friendly technology, such as the concrete reclaiming system, wet-mix and slurry batching plants, and air and noise pollution reduction systems. RMC's environmental management system is based on ISO 14001.

Continuous Improvement Management

Net gross profit after tax (NPAT) for RMC has dramatically increased annually from 1994 to 1996. The NPAT profit increased 279% from 1994 to 1995 and 41% from 1995 to 1996. These are profit breaking records with the expectation that 1997 will also be a profit breaking year.

Although RMC is the leading ready mix concrete company in Hong Kong. we continuously focus on Total Continuous Improvement Management to achieve world class performance. Meeting our goals is the time for setting new and more demanding ones.

1997 and beyond will be the beginning of a new era for Hong Kong with new challenges in which RMC will continue to contribute to building Hong Kong's infrastructure.