

Building The World's Tallest DRI Tower

The ingredients for success are: careful planning and a remarkable team spirit.

Project

The 1.5 Million Tons Per Year Shadeed Hotlink Plant in Oman will emerge as the world's first Hotlink Direct Reduced Iron (DRI) plant. Its furnace tower, rising 149 metres above the ground, will be the tallest structure of all the DRI plants in the world. This project is a great achievement for JEL.

Careful Planning

Kobe Steel Sohar Project Construction & Company LLC (KSSPC) awarded the mechanical and electrical erection work to Jurong Engineering LLC (JELLC) in August 2006.

"We knew that the installation of the furnace structure would be a great challenge. Detailed planning and clear targets must be set. In this regard, we are grateful to Mr Shozo Nakaizumi, General Manager of KSSPC, for advising us on the planning with his vast and invaluable experience and knowledge of DRI plants," said Site Manager, Mr Khin Maung Zaw.

"In preparing the detailed planning and scheduling, we have broken down the furnace tower structure into 11 tiers. We analysed them and counted the structure members and equipment to be installed. From this analysis, we set the time frame for installing every tier. It gave a very clear understanding and target to achieve for everybody involved in the installation work."

Milestone Success

Progress of the project has been very good. After the completion of each tier, there would be a party attended by the client and sub-contractors and the JELLC/JEL staff. There the last achievement would be highlighted and the next tier completion target identified. These milestone celebrations have been uplifting and memorable for all staff and workers and a great boost for morale.

One Team, One Spirit, One Common Goal

The JEL Oman team consists of many nationalities – Filipino, Indian, Indonesian, Malaysian, Burmese, Omani and Singaporean. The spirit of harmony among them is a reflection of JEL's philosophy of embracing all cultures and religions.

On the completion of the ninth tier, the team achieved 1.16 million safe man-hours. It is both an individual and combined commitment to safety and quality. The remarkable team spirit has made this project a success.



The Shadeed Hotlink Plant in Oman, with the world's tallest furnace tower at 149 metres high.

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SJC's Philosophy: Customer Satisfaction

The company is poised to play a major role in the development of the new "tiger economy" of Vietnam.

The year 2008 marks the 13th year for Song Da-Jurong (SJC) in Vietnam since its incorporation in 1995. After overcoming many hurdles in the initial few years, it is today riding on the improving economies in the region.

SJC's factory is located three kilometres outside Hai Phong, about 110 kilometres east of Hanoi, and possesses a distinct advantage of being at the waterfront, making it very suitable for export and movement of local logistics.

SJC has survived from scarcity of skilled labour in the past. But through in-house training and education it now has a much improved work force to meet export requirements.

SJC has more than doubled its total work area from a mere 30,000 square metres to 72,000 square metres housing three workshops with a potential output of 1,000 tonnes a month.

The company's business philosophy is – to ensure customers' satisfaction through timely delivery and quality management.

Despite the recent price gyrations, Vietnam's national

economy remains healthy and is projected to be able to sustain healthy growth. The country's pipeline of infrastructure projects with relatively low cost and stable growth rates of 8 percent are attractive to many investors, and are an opportunity for establishments such as SJC with its substantial experience in meeting export requirements.

Vietnam was once mentioned as a sleeping tiger by Singapore's Senior Minister (then Prime Minister), Mr Goh Chok Tong, after his visit to the country. "Today the tiger has awakened, challenging the neighbouring countries for a slice of the meat," said SJC General Director, Mr Jeffrey Tan.

Geographically, Vietnam is strategic. It also enjoys a tropical to warm temperate climate which makes it a very pleasant place to visit. Thus, tourism has been on the rise in recent years.

Having established its roots in Vietnam for 13 years, Song-Da Jurong is well poised to play a major role in developing the emerging market.



(From Left): Mr Yoji Tabuchi, Deputy General Director; Mr Jeffrey Tan Puay Heong, General Director and Mr Nguyen Huy Thong, Deputy General Director.

Understanding Business In India

JEL Bulletin catches up with SICCI Executive Director & CEO Predeep K. Menon, to learn from the expert the secrets of successful companies in the sub continent.

With the rise of India's economy, JEL is looking to play a bigger role in the India success story. To embark on this challenging journey, the Group set up a wholly owned subsidiary JEL India Pvt Ltd in Chennai, India.

To better understand the Indian market, JEL talks to a leading expert on the Indian market, Executive Director and CEO of the Singapore Indian Chamber of Commerce and Industry (SICCI), Mr. Predeep K Menon.

Q: What are your views on the construction market in India?

Menon: India's economy grew at 9 percent in the last fiscal year, an incredible rate for a nation that large. Infrastructure is very important today. Previously, the world viewed India as a significant player in the IT-services market. While vital for the growth of India's services sector, it provides employment for only two million professionals, small in a country with a population of 1.2 billion. Therefore, it is not surprising that the government is aggressively pushing for growth and, consequently higher employment rates, through its manufacturing and agricultural sectors.

Manufacturing Boom

The boom in India's manufacturing sector is broad-based across all its sub-sectors. It is today's scenario, not a prediction for the future. There is an increase in the construction of factories, power plants, processing plants and other infrastructure-related developments, keeping in tandem with this boom.

Q: How will you suggest a Singapore company establish itself in India?

Menon: Brand names of companies from Singapore, such as JEL, attract a strong premium in India. We have seen condominiums in India developed by Singapore companies fetching price premiums of up to 20 percent. This is because the Singapore brand stands for quality, efficiency,

reliability and value-for-money.

Right Partners, Right Projects

The approach to establishing yourself in India is to have a clear strategy and lots of patience. Apart from getting into the right projects, it is very important to select the right local business partner, one whom you can tap on for distribution channels, connectivity as well as knowledge of the local market. It is a better approach for a new player to find the right partner than "flying it solo" in a complex market like India.

Long-Term Strategy

The strategy in India must be one of long-term viability. Companies should have holding power and stick it out for at least two-three years. Thereafter, if you have adopted the right strategies and executed diligently, you should be able to reap your profits. Market statistics show that more than 80 percent of foreign companies which have invested in India are seeing profits coming out of their Indian operations. Another 10 percent are supposed to be on their way to breaking even.

Parent Company Staffing In India

We cannot expect to control India subsidiaries remotely. There must be strong participation from the parent company in terms of staffing and monitoring. There should be several key personnel seconded to the Indian operations, so that they develop a deep and relevant understanding of the market and its modus operandi. It is also very important to have meaningful control of such operations and contribution to them.

Q: Any other advice you would like to highlight?

Menon: Negotiations in India can tend to be protracted. It is paramount that strong business relationships are developed. This is again why I'm advocating that staff from the home office be permanently stationed in India. The level of relationship-building in India must go beyond the CEO or senior



Mr Predeep K. Menon, SICCI Executive Director and CEO.

management levels and cover the operational/executive levels as well.

Successful Companies Must "Indianise"

Singapore companies should avoid going into India to teach the local companies how to operate the way it is done in Singapore. The characteristics and constraints that prevail in India are very different and while we can share "best practices", we must never have the misconception that our model of development/operation can be a "cookie-cutter" solution for them. The most successful among the foreign companies in India are those that have learnt to adapt and "Indianise" themselves -- products, operations and management.

More and more foreign companies are concluding that to be truly global players, they cannot afford to ignore India or leave it out of their global strategies. India is the second-fastest growing economy in the world, after China, and is expected to become the second largest economy in the world by 2050.

None of our large and successful Singaporean or Singapore-based companies can afford to not engage with India in a meaningful manner. I feel that we are currently enjoying a window of easier access and unique benefits -- but it is a rapidly shrinking window and, unless our companies jump in quickly, we may miss the boat and be too late to develop a strong and commanding presence in India!

Ingredients For A Successful Project— GIIC Pelletising Plant In Bahrain

“We were able to complete the piling work two months ahead of schedule.”

Any engineering and construction company will know that there is no such thing as a secret recipe for success when engaging a project. However, having accumulated more than 35 years of experience in the field of power and industrial construction, JEL has found the right mix of ingredients to ensure success and quality for our clients.

The success we have enjoyed in Bahrain working on the GIIC Pelletising Plant-2 project is no fortunate coincidence. We share the ingredients of our success.

- Good team work among our staff;
- Close coordination with sub-contractors and good cooperation with sub-contractors' staff;
- Always maintain a good relationship with our clients and work together to resolve problems faced at site;
- Fix monthly target and work diligently to meet goals;
- Daily morning meetings with site staff and sub-contractors' supervisors to discuss current day activities;
- Daily evening meetings to discuss the achievements of the day and planning



Good progress for GIIC Pelletising Plant project in Bahrain.

for the next day. This helps to sort out problems faced during the day for immediate resolution; and

- Organise morning exercise and toolbox talk every day. All workers and staff must attend this session. All supervisory staff and sub-contractors have a chance to give a speech to highlight any important environment, health and safety matter.

The team also had its share of challenges during the execution of the project. “In Bah-

rain, we were facing extreme weather of very high temperatures and humidity when we started piling work in August 2007. But with the full cooperation of our sub-contractors, there had been no delays. In fact, we were able to complete the piling work two months ahead of schedule,” said Site Manager, Mr Sim Siang Huat.

All site problems have been quickly resolved, and the team has achieved remarkable progress in the project. The team has also achieved more than 500,000 man-

hours without any man-day loss up to the end of February 2008.

All the workers and staff are motivated by this safety award, which is a testimony to our commitment to safety and quality in all our projects.



The Bahrain team with Mr Sim Siang Huat, Site Manager (Seated third from right).

JEL Tackles Harsh Environment In Nigeria

Because of their distances from the towns, JEL has built quarters for the staff and workers of the three power plants that JEL is erecting in the country.

JEL was awarded a contract by Marubeni for the erection of three power plants (with a total of 13 x 100 MW) under the National Integrated Power Project scheme in Nigeria.

They are: Calabar (5 x 100 MW) in Cross Rivers state, Ihovbor (4 x 100 MW) in Edo state and Sapele (4 x 100 MW) in Delta state.

Harsh Environment

The sites are located about 30 kilometres from nearby towns. Because of the distance, expatriate staff and local workers are accommodated in quarters built at the site.

The camp at Ihovbor can house 150 workers and 50 staff. Generators brought from Singapore are used to generate power.

Even though Nigeria is a member of OPEC (Organisation of Petroleum Exporting



One of the three power plants (total 13x100MW) in Nigeria.

Countries), diesel and petrol are not cheap because these refined products have to be imported. And for our water needs, we draw it from a borehole 160 metres deep.

The Best for the Staff

There is one recreation room for the workers and another for the staff.

“For entertainment, we put up a satellite dish and subscribe to DSTV which has 75 TV channels,” said Site Manager Mr Aung Myin. “As many of our workers are from Thailand, we also set up a satellite dish to receive free-to-air Thai TV channels. DVD players are also available for those who want to watch

movies or belt out karaoke songs.”

To cook their favourite Thai food, there is a chef from Thailand and he is assisted by three local cooks. Although vegetables are scarce, there is a lot of fresh meat such as pork, beef and mutton.

Site Security

“Ensuring the security of the site for our workers and staff is very important,” said Project Manager, Mr Wong Chow Yee.

For this reason, there are three MOPOLS (mobile police) for the camp and 15 MOPOLS for the whole site. They also travel along when staff go to the town for errands.

It was 2008, but it might as well be 1968. On 25 January, JEL travelled back in time to the days of bell-bottoms and gaudy shirts. Decked out in them, the staff and management had “Rolling Good Times” during the retro-themed Dinner & Dance. Held at The Legends in Fort Canning Park, it was a fun-filled night of great food, hilarious games, fantastic prizes and amazing companions.

This special annual event marked the remarkable achievements chalked up by JEL during the past year, which would not have been possible without the dedication and hard work of all staff. “Rolling Good Times” was a time for all JEL staff to celebrate as a big family.

The mood of this magical evening was accurately summed up by Ms Sarine Ng, winner of the first prize in the Lucky Draw: “A 37-inch LCD TV is very generous, but the most important thing is everyone had fun.”

Rolling Back The Good Times



JEL rolls back the good times at the Dinner & Dance.

Paper Features JEL's Success

JEL's achievements were recently featured in the International Herald Tribune/Asahi Shimbun. On 29 February 2008, the prestigious newspaper devoted an article that featured JEL's expertise in executing projects, as well as underscoring JEL's most important assets – dedicated employees from more than 14 nationalities working in the company. The diverse JEL team is confident of successfully executing projects in any part of the world.

"We possess the ability to think with an Asian-flavoured mentality to create new and different ideas," said Mr Osamu Abiko, Managing Director and Chief Executive Officer. "The quality of service we bring to our clients has cemented JEL's position as a leader in the region for power and industrial-plant engineering and construction."

For the full article "Multi-cultural workforce makes JEL a strategic partner worldwide", please visit JEL's website at www.jel.com.sg.

Multi-cultural workforce makes JEL a strategic partner worldwide

Behind many of the region's prominent infrastructure projects, is the 300-strong workforce of Jurong Engineering Limited (JEL) headquartered in Singapore. Its highly-specialized skills in engineering, procurement and construction have won the company numerous contracts with Marubeni, MHI, Kobe Steel, Alstom, Toshiba, GE, IHI and other industry giants.

"We are proud that many of our clients have been with us for more than 20 years. JEL will continue to stay committed to giving them the highest-quality service," says chief operating officer Tsai Chau Ching.

For more than 35 years, the JEL team has installed more than 120 power projects and completed 150 industrial



Osamu Abiko, CEO & Managing Director

plants in over 20 countries. JEL's diverse and multi-cultural employee base in Singapore has provided the dynamic for the company's growth internationally. JEL was among the first companies in Singapore to expand globally in 1972.

"Our diverse staff of more than 14 nationalities is our biggest asset. They think with Asian flavored mentality to create new and different ideas," says managing director and chief executive Osamu Abiko.

JEL's overseas contracts have boosted export growth for Singapore as Asia builds up the infrastructure needed to keep pace with growth.

"We are benefitting from the strong economies in Asean and the Middle East. We will continue to increase our capabilities in the areas of engineering, construction, maintenance, and technical service and aim to become a full-fledged EPC contractor," Mr Abiko says.

Southeast Asia re-

mains an important market for Jurong's services in EPC, M&E erection and piping works and Balance of Plant (BOP). Business in the Middle East and Africa is also thriving.

This year it is completing two high-profile contracts: one for the world's first hot-discharge direct-reduction plant located in Oman and another for the National Integrated Power Project in Nigeria.

JEL is able to cater to multiple projects from its vast business network of 14 subsidiaries and offices in Southeast Asia, Japan, India, the Middle East and Africa. This includes four strategically located fabrication facilities in Southeast Asia to support its business.

"We are a strategic partner for success," Mr Tsai says.

JML Attains ISO 9001:2000

JEL Maintenance (JML), a subsidiary of JEL since 2001, has recently attained certification for ISO 9001:2000.

JML has substantial experience in value-added jobs for clients in projects such as turbine overhaul, modification and expansion as well as supply and shutdown maintenance. With this milestone certification, JML affirms its pledge to provide excellent maintenance and value-added services for local and international clients.



Win Prizes In Lucky Draw

20 sets of caps are up for grabs in JEL Bulletin's Lucky Draw Contest. Simply answer the three questions below and send your answers, together with your name and address, to dewie@jel.com.sg or 25 Tanjong Kling Road Singapore 628050 to stand a chance to win. (Hint: answers can be found in this issue of the bulletin.)

1. How many years has Song Da-Jurong been in Vietnam?
2. How high is the world's tallest DRI furnace tower JEL is erecting for the Shaded Hotlink Plant project in Oman?
3. Name the three project sites in Nigeria that JEL is working on for the Nigeria National Integrated Power project.

The contest is open to all readers. Please send in your answers before **30 May 2008**. All winners will be informed by e-mail after 30 May 2008. Prizes will be sent by post to the winners.

Name: _____
 NRIC No.: _____
 Address: _____

Contact

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