



## New Year Message from Mr Seiichi Daita, MD/ CEO

**A** Happy New Year to all JEL Group staff and family members.

I would like to thank all of you, our clients and partners for all the support you have given me since I joined JEL in April 2009. I am very happy to celebrate this new year with all of you and wish all of you peace, prosperity and good health. I would also like to thank you all for the company's good performance in 2009. We owe it to all of you.

I am happy to share with all of you our great achievement of "ZERO accidents" for the year 2009. We must continue to maintain the highest safety standards and be vigilant at site at all times. This great record cannot be achieved without everyone's effort and teamwork. Since there is gravity on earth and it is only natural things fall if not managed properly, we must use our mind, muscle and every endeavour to prevent accidents at site. I am glad that we have the correct safety mindset to continue achieving this great record. Please keep in mind that, moving forward, we must try to maintain this record.

For the year 2010, I would like to present "Growth" as the key word for JEL. In 2009, the world economy struggled and most of the developed countries suffered negative growth. I believe JEL has done well not only in securing orders but also in achieving a good overall performance during the tough times. As a private enterprise, we need to challenge ourselves and continue to grow. For 2010, we will focus our growth in three key areas – firstly, "engineering"; secondly, "new countries"; and thirdly "maintenance", as markets tend to favour life-cycle basis businesses. We hope to secure more EPC jobs and life-cycle businesses in new countries. We also hope to achieve higher sales and profit this year despite new challenges.

These are our targets for the future. Our total forecasted sales for the year ending 2009 for the JEL Group was approximately S\$330 million and the profit after tax was approximately S\$8.6 million. The total jobs secured amounted to some S\$335 million. Let us target at least a 7% increase for growth every year beginning from 2010 – S\$350

million for sales, S\$9.2 million for profit. The reason for 7% is that if we continue to grow at this rate, the figures will be approximately doubled in ten years. Some groups may achieve it easily and some may not. Please bear in mind that to achieve our target, it is essential that one must possess the team spirit. Ultimately, without our clients, we cannot achieve anything; hence, we should always keep a client-oriented mind.

Before I end my New Year message, I would like to repeat two key focus areas for this year, "ZERO accidents" and "Growth".

I hope all of you will continue to maintain the level of performance that keeps our clients satisfied. We should always work by the maxim "we are happy if our clients are happy".



Mr Seiichi Daita, Managing Director/Chief Executive Officer, delivering his New Year message during a safety drill

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## Exotic Pipe Spools Fabrication for McDermott Esso KTT Project

In October 2009, JEL's Fabrication Division secured a contract with McDermott Industries (Australia) Pty Ltd (MIA) for the prefabrication of exotic pipe spools (stainless steel and duplex stainless steel) for the owner, Esso Australia Resources Pty Ltd. It was for the offshore facilities for their Kipper Tuna Turrum



Esso KTT Piping Prefabrication Team

Project (KTT), Australia.

JEL's scope of works comprises custom clearance of free issue material, fabrication as per drawings and specification, NDT tests, chemical cleaning of welds, passivation, packing, and delivery to Bayswater.

The fabrication schedule is from 1st October 2009 to 30th June 2010.

This project requires high standards in terms of quality of workmanship and also a high level of environmental health & safety standards. JEL is fully confident to complete the work in accordance with the project schedule as well as compliance with the project specifications.



Exotic Pipe Spools Prefabrication

## Combined Heat and Power Plant for IRPC Public Company Limited

Another contract has been secured by the JEL Group, and this time, for a combined heat and power plant (CHP Plant) in Thailand that comprises of six units of gas turbine generators, six units of heat recovery steam generators and all associated facilities. We were awarded a contract for the offshore design, engineering, procurement, manufacture, supply and delivery of offshore equipment for the CHP Plant, while Thai Jurong Engineering Limited was awarded a contract for the design, engineering, procurement, construction, erection, installation, pre-commissioning and commissioning for the CHP Plant. Our client is Marubeni Corporation and the owner of the CHP Plant is IRPC Public Company Limited.

Marubeni Corporation is and has been one of the reputable and satisfied clients of JEL. The awards received from Marubeni Corporation in September 2009 are a testimony of the high regard and confidence clients have in the capabilities of the JEL Group of Companies in the power industry.

Presently, engineering and procurement activities are intensely underway and the civil piling work is almost in full swing. The CHP Plant is expected to be completed in May 2011. When completed, the CHP Plant will provide 220MW of electricity



Commencement of piling works at project site

and 430ton/hr of process steam for refinery and petrochemical plants in and nearby the industrial park where the CHP Plant is located.

JEL together with its subsidiary, Thai Jurong Engineering Limited, have established a name for themselves as one of the leading and trusted power plant builders in Thailand over the last 10 years. As a constructor, Thai Jurong

Engineering Limited's reputation among the Independent Power Producers in Thailand is almost second to none. The JEL Group's contribution towards the power plant industry in Thailand is set to continue for many years to come with several Small Power Producers, whether old or new clients, having expressed interest to cooperate with us in their new projects in Thailand.

## Challenges Facing the Company - a HR Perspective



Mr Tan Chee Hua, Head of Department (HR and Administration)

A company is a living organism. In his book entitled “The Living Company”, author Arie De Geus revealed that the average life expectancy of a multinational corporation in Fortune 500 is between 40 to 50 years.

In a year’s time, JEL will be 40 years old. Whether JEL will continue to thrive in an ever-changing world depends on whether we are able to hire and retain the right people, and encourage them to work cohesively despite their diverse backgrounds.

Hiring and retaining the right people, and making them work cohesively despite their diverse backgrounds is a formidable task. The perceived image, working conditions and remuneration of the construction industry make it difficult to attract talented people. The talented have the drive and know-how to make things happen, but could be difficult to manage. It is therefore essential that managers learn the people skills necessary to manage such talents to work in a constructive manner for the company.

JEL is proud of its diverse workforce. Its employees comprise people of different cultures, ethnic groups, religions, nationalities, ages, gender, qualifications, etc. Managing a diverse workforce is a challenging task. It is natural that people are most comfortable with those like themselves. While we recognize that people from different backgrounds may have different perceptions, values and behaviour, it is a mistake to assume that all differences are always “cultural”. More often than not, it is related to differences in personality, aptitude or competence rather than ethnicity, religion or gender. To promote and manage a harmonious multicultural workforce, on the company level, we should uphold the policy of non-discrimination – providing equal employment opportunity, organizing social events, rewarding based on meritocracy, encouraging team spirit and actively seek input from minority groups. On the individual

level, we should avoid making provocative remarks that are deemed chauvinistic, nationalistic, racist or sexist.

Singapore’s population is aging fast, and so is JEL’s workforce. The average age of our employees is 45 years, and the number is increasing day by day. Unless the company expands and brings in younger employees in a big way, the existing replacement rate will only slow down the ageing trend, but not reverse it. The advantage of having a mature workforce is that their experience and knowledge enables the company to continue delivering quality services. Mature workers are also more stable, less volatile and thus reliable. However, we also recognise that health problems, and the demanding working conditions and lack of proper medical facilities at construction sites are a big challenge to the older workers. If we cannot attract enough younger engineers/supervisors to take the place of the older ones, we have to change the way things are done so that the latter can continue to perform the job.

The future is hard to predict. For the company to survive, we must be resilient and adaptable in order to face any new and unexpected development. Today’s knowledge may become obsolete next year with the change of technology. The Olivetti typewriter used to be the most expensive office equipment we had, but it has now been rendered obsolete and replaced by the personal computer. JEL staff used to have their telex number printed on their name card, but this has been replaced with a fax number and email address. Our design engineer is using the Autocad software to prepare drawings, and so the drawing board has no place in the design office anymore. Changing new hardware or software is not as difficult as changing attitude. If we have a positive attitude, no matter what changes come, we shall overcome.

“IF YOU FOCUS ON RESULTS, YOU WILL NEVER CHANGE.  
IF YOU FOCUS ON CHANGE, YOU WILL GET RESULTS.”

## South Africa – We Are Here

JEL’s wholly owned subsidiary, Jurong Engineering (Proprietary) Limited (JEL SA) in Johannesburg, South Africa, was successfully incorporated on 17th September 2009.

With its two directors, Mr Ng Boon Hong and Mr Kwa Hwee San at the helm, the subsidiary’s main objective is to forge new frontiers and to serve new project opportunities in South Africa. The challenge for JEL SA is to penetrate new and previously uncharted markets in South Africa.

South Africa as a whole has tremendous investment opportunities in the infrastructure sector. Power supply in South Africa is in demand due to strong economic growth in recent years. More power plants will have to be constructed to ease the shortage of electricity.

With an established and proven track record, JEL will be able to spearhead its venture into South Africa through JEL SA.

With the establishment of JEL SA, JEL would also be able to use JEL SA as a base to explore other business opportunities available in the continent.

## JML'S Safety Achievement Award



Safety Achievement Award Issued by SMOE

In September 2009, Sembawang Marine and Offshore Engineering (SMOE) achieved 2.5 million accident-free man-hours for the Halfdan B Phase IV Development Project. JML having participated in the project's on-shore piping fabrication and installation works, was commended for its zero-accident safety performance in the project and was conferred a "Safety Achievement Award" by SMOE.

JML attributed its zero-accident safety performance to:

- 1) Management's commitment towards a safe and healthy workplace;
- 2) Project site management's pro-active approach towards making the workplace safe for everyone;
- 3) Line supervisors' continuous vigilance on safe work practices; and
- 4) Workers' positive attitude on personal and co-workers' safety.



View of the Module that is under Construction at the SMOE yard, Singapore

## JEL Achieved Zero Accidents In Year 2009

In the business of engineering construction, it has been a great challenge for JEL to maintain a hazard free environment for its employees. Besides, project teams have to consider the hazardous environment created by other contractors sharing the same work space within each project site.

Through the concerted effort by all in JEL from management to field workers, in the year 2009, JEL was able to achieve ZERO accidents with 12,589,737 man-hours worked for projects throughout the world. This achievement was made possible through top management's commitment towards a safe and healthy workplace, department and project site management's participation in the implementation of a safety management system, line supervisors' vigilance on safe work practices, and workers' care for each other's safety as well as their own.



Project team participating in the Shell ECC Project Safety Day Safety Exhibition

## Steven Teo Theng Hua – 40-Years Long Service Award Recipient

On 30th October 2009, Mr Steven Teo Theng Hua, our longest serving employee, received his forty-years long service award from Mr Seiichi Daita, the Managing Director and Chief Executive Officer of JEL.

Steven began his career back in 1969 with Jurong Shipyard Limited (JSL). He was with the Company for two years before he was seconded to JEL (formerly known as Jurong Engineering Private Limited) in 1971, which had its office established at 9 Jurong Pier Road. While he was there, he was tasked to oversee the finance function and had the opportunity to work with Mr Yasushi Konii, the founder of Jurong Engineering Private Limited. In 1979, he was officially transferred to JEL from JSL. As a finance officer, Steven Teo was assigned his first overseas assignment to Sabah, East Malaysia, to undertake the Mamut Copper Mine project from 1973 to 1975. In 1977, he had his first taste of the Middle East where he was the finance officer of the steel plant project in Qatar. This was followed by another overseas trip in 1978 where he was selected to undergo training in Japan under the Association for Overseas Technical Scholarship Scheme, in the areas of production control, accounting and project costing systems, as well as the computerized system in IHI Corporation. In 1979, he was posted to take charge of the Baghdad office in Iraq where he oversaw the overall finance and administration function.

These numerous overseas postings and training provided Steven with good exposure, giving him the opportunity to learn about the diverse business operations and technologies outside Singapore. He also acquired a better appreciation of the various cultures, enabling him to better comprehend overseas projects and establish good working relationships with fellow colleagues from different countries.

In 1981, he was appointed to take charge of the planning, implementation and operations of JEL's first computer system covering the financial, costing, procurement

and payroll aspects.

In his twenty years of managing the information and computer system, he has seen it all – from the nineties column punch cards and bulky computer hardware to today's fast, powerful and very compact computer systems used in business operations. In the seventies and early eighties most of the processes were done manually without the aid of modern technology such as computers and digital calculators.

Steven was given recognition for his efforts and was gradually promoted to Deputy EDP Manager in 1985, Manager in 1988, Senior Manager in 1994 and Assistant General Manager in 1997, and as Head of the Information Technology Department until 2008. All this while, he continued to upgrade himself and is a professional member of The British Computer Society in England.

Over the many years of working in JEL, Steven has gained tremendous experience in the areas of finance, administration, information technology, quality management system and internal control and compliance. He was also given the opportunity to handle other assignments such as the production of a corporate video, annual report production, planning and execution of exhibition and events, quality management and compliance audits.

Currently, Steven is manager to the MD's office overseeing J-SOX implementation and assessment.

With JEL business operations going beyond the shores of Singapore, Steven has had the opportunity to travel to many countries in ASEAN, the Middle East, India, China and Taiwan. On these working trips, he has had the chance to see some of the UNESCO World Heritage sites, such as Babylon in Iraq, the atomic bomb dome of Hiroshima in Japan, the Taj Mahal in India and the many sights, sounds and cultures of those countries he visited. In Steven's opinion, such valuable opportunities are rare and come only when working with companies like JEL.



Mr Steven Teo in front of JEL Office - 1971

Last but not least, on how he feels working for four decades and receiving the long service award, Steven has this to say: "I am proud and happy to receive the forty-years long service award. This shows that JEL values employee loyalty and commitment towards the Company. It is an illustration of the Company's recognition and appreciation of employees staying with the Company. This is indeed a good motivation to encourage all the employees to stay and grow together with the Company." He added: "Having stayed here for so long, this company has become a big family to me."



Mr Steven Teo in his office – 2009

# Recipe: Versatile Rendang - A Popular Malay Dish by Ms Yani Asahri

With your preference of Chicken/Mutton/Beef



## Ingredients (A)

To grind together:

- ◆ 2 - Shallots
- ◆ 5 cloves - Garlic
- ◆ 100g - Dried chilli  
(increase the amount of dried chilli if you prefer it spicier)
- ◆ 3 stalks - Lemongrass
- ◆ 1 pc Lengkuas - Galangal, 3 inch long
- ◆ 1 pc Ginger - 2 inch long

## Ingredients (B)

- ◆ 1 tbsp - Turmeric powder or fresh Turmeric  
(fresh turmeric would have to be grounded)
- ◆ 2 tbsp - Curry powder
- ◆ 1 pc - Turmeric leaf (whole)
- ◆ 3 pc - Kaffir Lime leaves (whole)

## Method of Preparation:

1. In a non-stick pot, saute all the (A) and (B) ingredients until fragrant.
2. Put in 1 glass of water, then put in the Kerisik and Mutton/Chicken pieces in the pot and simmer till the meat is well cooked and tender.
3. Put in the coconut milk, salt and MSG, and simmer until the gravy thickens.
4. The rendang is ready to serve.

## Ingredients (C)

- ◆ Mutton/Chicken/Beef - 1 Kg  
(cut into pieces)
- ◆ Water - 1 glass (about 500 ml)
- ◆ 100gm - Coconut milk
- ◆ Salt - add to taste
- ◆ MSG - add to taste (optional)
- ◆ 100gm Kerisik - (Grated and toasted coconut. Can be bought in a packet from shops.)

## Lucky Draw

### Contest

We are giving away 30 Document Bags sponsored by JEL Maintenance Pte Ltd for the lucky draw contest.

Simply answer the four questions and send your answers, together with your name and address to dewie@jel.com.sg or 25 Tanjong Kling Road, Singapore 628050.

(Hint: answers can be found in this issue of the bulletin.)



Name: \_\_\_\_\_ NRIC No.: \_\_\_\_\_

Address: \_\_\_\_\_

The questions for the contest are :

1. In his New Year Message for 2010, which three growth areas did our MD, Mr Seichi Daita, focus on?  
\_\_\_\_\_
2. What should the company do to achieve a united labour force that is fully integrated despite the diverse background of the workforce?  
\_\_\_\_\_
3. What are the factors which contributed to JML's zero-accident safety performance?  
\_\_\_\_\_
4. Who are the two Directors of Jurong Engineering (South Africa) (Proprietary) Limited?  
\_\_\_\_\_

## Contact

Marketing inquiries, comments and feedback should be addressed to the Corporate Affairs Division at [marketing@jel.com.sg](mailto:marketing@jel.com.sg)  
tel: 65 6265 3222 fax: 65 6265 9842



**EDITORIAL TEAM:** T. J. Khor, Tadanao Sato, Dewie, Steven Chia and Wong Kai Pheng.

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