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BULLETIN



MANAGING DIRECTOR'S NEW YEAR MESSAGE 2015

*"I am delighted that we have shown
good progress the past ten years.*

*We deserve to be proud of this achievement
and I would like to express my gratitude
to our clients and business partners
for their continued trust
and support in us."*

2014 was a busy year for us. In 2014, we recorded sales of more than S\$508 million and profit before tax of S\$23.6 million. The number of jobs quoted in 2014 more than doubled the number of jobs quoted in the previous year. The value of jobs secured reached a new high at approximately S\$755 million as we took on bigger jobs.

This year marks the 10th year since JEL was taken private by IHI Corporation. In 2004, the sales recorded was S\$254 million and profit before tax was S\$3.7 million. After ten years, our sales have more than doubled and our gross profit has increased by 6.4 times. I am delighted that we have shown good progress the past ten years. We deserve to be proud of this achievement and I would like to express my gratitude to our clients and business partners for their continued trust and support in us. My appreciation also goes out to the Management and staff, for their contributions and dedication to the Group. This achievement is also testament of the trust placed by our customers and business partners in our competency and reliability, and in us as a safety-oriented engineering solutions provider.

We have gained good traction in executing the "JEL Group Management Policies", a year after it was implemented. Development plans have been put in place until 2018, as we continue to focus on the five key initiatives, namely Group Integration, Engineering Capability, Human Resource Development, Marketing and Safety. We will continue to build on these developments to attain a competitive advantage for ourselves to propel future growth.

As we embark on a new year, we should continue to remain vigilant and not be complacent. Even though our workload has increased, key fundamentals such as risk management, cash flow management, resource management and workplace safety should never be overlooked. In particular, we should strive to maintain our excellent workplace safety record in our operations globally.

Thank You.

Hiroshi Ide

January 2015

JEL CHAIRMAN'S VISIT TO PTJEL OFFICE (JAKARTA)

On 15 December 2014, we had the honour of welcoming Mr Bob Tan, Chairman of the JEL Group of Companies, to PT. Jurong Engineering Lestari (PTJEL) main office in Jakarta. Mr Tan was accompanied by Mr Hiroshi Ide, Managing Director and Chief Executive Officer of the JEL Group of Companies; Mr TJ Khor, General Manager, Corporate Affairs Division; and Mr Tan Chee Hua, General Manager, Human Resources and Administration. The visiting dignitaries were briefed on PTJEL's current business activities as well as the growth prospects of the Indonesia market. The guests toured the office premises, and met the staff from various departments. The visit concluded with a dinner get-together at a local restaurant attended by several senior staff from PTJEL.



PT. JURONG ENGINEERING LESTARI SECURES MECHANICAL AND PIPING WORKS FOR WT/WWT FROM TOYO AT CAPECCX CHANDRA ASRI PROJECT – CIWANDAN, CILEGON

PT. Jurong Engineering Lestari (PTJEL) has secured a new project for WT/WWT from Toyo at CAPECCx Chandra Asri. PTJEL is responsible for the installation of machinery and equipment for the water treatment and waste water treatment plant at PT. Chandra Asri Petrochemical Tbk., Cilegon, Indonesia. Apart from the works mentioned, the job scope also includes piping fabrication and installation; and assembly of platform and ladders to equipment by bolting and welding with minor adjustment. The contract signing was held on 21 November 2014 at the Toyo site office. Mobilization work commenced in December 2014 and the piping fabrication work at end January 2015. The PTJEL project team is confident of completing the work in accordance with the project schedule, as well as the project specifications.



PTJEL and Toyo contract signing at the Toyo Site Office, Cilegon

RE-ENTRY STRATEGIES INTO BRUNEI AND BANGLADESH

– AN APPROACH BY THE SALES & MARKETING DIVISION

The JEL Sales & Marketing Division (“S&M Division”) was officially formed in February 2014, and reports directly to the Chief Executive Officer/Managing Director.

One of the immediate tasks for this Division is to formulate a business plan to re-enter into the Bangladesh and Brunei market. JEL had previously entered into these markets, but has not received major new orders for the past few years.

For the Bangladesh market, the S&M Division has initiated its marketing activities and established contact with two Spanish EPC customers—namely, TSK and Isolux Corsan.

TSK and Isolux Corsan, are both well-known EPC Contractors from Spain that have been actively participating in the Spain and South America Power Projects for many years. They have recently shifted their business attention to the Asian Power Market.

Both Companies have recently secured an EPC contract each for the Combined Cycle Power Plant Projects in Bangladesh; and before that, Isolux had already completed a Simple Cycle Power Project in Bangladesh.

Singapore is about 4 hours by flight away from Bangladesh, and the availability of a fabrication workshop will provide EPC customers with a wider selection of subcontractors. With our long established power plant installation experience, reliability, commitment to schedule and competitive price, we managed to secure a part of the mechanical erection works from TSK and Isolux Corsan in the Ashuganj 450MW Combined Cycle Power Project and Siddhirganj 335MW Combined Cycle Power Project respectively.

The securement of two power projects within a year from two new customers, in Bangladesh, was with great effort. The S&M Division had made several presentations to local plant owners and customers to



demonstrate JEL’s commitment and ability to keep to the agreed project schedule. Our project team had also shown their aggressiveness in securing the projects by putting up a competitive bid price.

TSK and its consortium partner, Tecnicas Reunidas, have since secured another new Combined Cycle Project in Bangladesh. Likewise, Isolux Corsan is also in the final stage of concluding a new project. These upcoming projects provide an opportunity for JEL to continue its work and presence in Bangladesh.

For the Brunei market, the S&M Division also saw fruition of their effort in 2014 with the award of two projects from new customers, namely:

1. **Brunei LNG Sdn Bhd** – The project, a joint venture among the Government of Brunei, Shell Overseas Holdings and Mitsubishi Corporation, was for a Cogen II Project in their existing plant. Foster Wheeler Sdn Bhd—Project Management Consultant (PMC)—assisted Brunei LNG (Owner) to select a subcontractor. Foster Wheeler is known to be very stringent in their HSE and QA/QC requirement and their subcontractor selection.

The S&M Division conducted several rounds of presentations to the PMC and

Owner to showcase our capability in cogen plant installation and explained our ability to comply with local requirements. Subsequently, there were also several rounds of clarifications sought by Foster Wheeler with our project team to comply with their technical, contractual and Governmental requirements. After several months of discussion, JEL was finally selected by BLNG and Foster Wheeler as the mechanical subcontractor.

2. **Brunei Berakas Power Management Company Sdn Bhd (BPMC)** – BPMC is a wholly owned subsidiary of Brunei Investment Agency and is an investment arm of Brunei’s Ministry of Finance. The project was for the improvement of the existing plant’s efficiency with GE’s new technology, thereby conserving the national energy resources.

To ease execution of the above two projects and as part of a long term strategy to increase its presence in Brunei, JEL set up its subsidiary there, demonstrating its long term commitment to the Brunei operations.

Our S&M Division will continue to explore new projects in Bangladesh and Brunei and we are hopeful to see more projects coming up in these two countries.

ANNUAL SUBSIDIARIES AND FINANCE MEETING

The annual Subsidiaries and Finance Meeting held on 12 February 2015 was attended by over 50 key personnel from both the Singapore corporate office and overseas subsidiaries. In his presentation, our Managing Director & Chief Executive Officer, Mr Hiroshi Ide, reinforced the key initiative in JEL's Management Policies—the five year development plan to further strengthen our position in existing markets and advance our engineering capabilities, as we continue to take on bigger and higher risk projects amidst the ever changing landscape in the construction industry. Mr Ide rallied everyone to be agile, to improve on communication and cooperation, and leverage on resources to overcome challenges that come our way.

Mr Tsai, our Chief Operating Officer, broadly shared the business focus and major projects for the current year, and the roadmap to achieve our targets for the period 2015 to 2018. The higher sales turnover recorded last year attests to the Group's efforts in integrating our businesses and capabilities to provide comprehensive engineering to our customers.

JML Group, our maintenance business arm, did well in 2014. The commendable performance was driven by strong revenue from its two main markets—Singapore and Malaysia—along with new clients added to its portfolio. JML also successfully expanded its footprint to the Middle East region, and works are underway for the secured projects. Mr Naga, Chief Executive Officer of JML Group, said: "We will continue to explore the Middle East region for more maintenance jobs to boost our pipeline."

Managing Directors of our key subsidiaries—Thai Jurong Engineering Ltd ("TJEL"), PT Jurong Engineering Lestari ("PTJEL") and Equator Engineering Sdn Bhd ("EESB")—presented their respective past year's performance, plans for the current year,



market trends, as well as sales and profits projections for coming years.

The topic of risk management was presented by the Head of Risk Management, Mr Steven Teo. Mr Teo shared with the group, the risk management framework, the initiatives implemented during the year and the activities that the department will embark on going forward.

Understanding and riding the market trends is pivotal in Marketing. Our Marketing Head, Mr Kua, presented marketing plans to identify potential projects and foster collaboration with business partners to grow our presence globally.

We remained prudent and disciplined in managing our costs and investments group-wide. Mr Soh, our Chief Financial Officer, presented the 2014 financial performance, and the projected sales and earnings moving forward. This year, the Finance Department will focus on strengthening the cost review framework, enhancing the credit review process and hedging strategies.

Head of Corporate Affairs, Mr Khor, provided an update on the implementation of Management Policies in both the Singapore corporate office and key subsidiaries. Plans have been formulated, developed and discussed; and through collective efforts, we have made good progress in the five key initiatives: Integration, Engineering Capability, Human Resource Development, Marketing and Safety.

Group manpower surpassed 5,000 including both permanent and contract staff and workers, as disclosed by our Head of Human Resource and Administration, Mr Tan. Turnover rate remained negligible during the year. Initiative to update the Company Policy has been completed and the new version made available to staff since January 2015.



HEALTH, SAFETY AND ENVIRONMENT— ONE OF THE 5 KEY INITIATIVES IN THE JEL GROUP MANAGEMENT POLICIES



Health, Safety and Environment (HSE) has taken the forefront in recent times and heightened the awareness of many of its importance. Safety is always on JEL's agenda and one of the 5 key initiatives in the JEL Group Management Policies, as delivered by our Managing Director, Mr Hiroshi Ide, in 2014.

On 29 August 2014, JEL conducted the first HSE conference led by Mr Ide, with participation from Heads of Departments, Managing Directors of subsidiaries and HSE Managers from TJEL, JML, EESB, PTJEL and JEL in a move to realize a zero accident policy.

Mr Ide's message of **Zero Accident = Zero Downtime**, and thereby higher productivity, was well received by clients.

The conference was a good avenue for the JEL Group to communicate, interchange ideas and information, upgrade and share HSE practices, and also learn the approach to HSE adopted by various countries with different cultures.

During the conference, all HSE Managers from subsidiaries received soft copies of HSE materials on training, related video-clips, posters, plans, safe work procedures (SWP), Permit-to-work (PTW) system and a handbook from the JEL HSE Department. Such materials were part of the support given by the JEL HSE Department to provide standardized information across all projects in the JEL Group.

Presentations made by HSE Managers with common topics on safety education, training, safety promotion and programme, constituted the fundamentals of a sound HSE system.

Mr C.C. Tsai, Senior General Manager, ended the conference with a case study and stressed on the importance of safety, as it

affects livelihood, JEL's reputation, image to our clients and the public.

The ultimate objective of this conference is for all subsidiaries to adopt a zero accident policy in their management, in compliance with the Group Management Policies.

JEL Group will continue the Annual HSE Conference in our journey towards a Zero Accident culture.

The second Annual HSE Conference was conducted on 13 February 2015 and received a much larger attendance with many participants from subsidiary companies.

Mr Hiroshi Ide opened the conference with a reminder to all on the need to continuously improve on safety management. To achieve that, there had to be a change in mindset and a strong will and effort to improve. The topic of the company's reputation was also mentioned; and that the company should grow with zero accidents—an emphasis on back to basics.

Presentations were made by various representatives, with sharing of lessons learnt by each presenter. All subsidiary companies have shown their enthusiasm to improve on HSE in their training programmes, promotion and surveillance.

Mr Tsai closed the conference with a note that our safety programmes can only be successful with support from higher management; and that we must be even more vigilant as more jobs—with most having larger and higher boilers—will be available from 2015 to 2017

All project sites must establish a safety system right from the beginning.

ANNUAL JEL STAFF PARTY 2015

The Annual JEL Staff Party was held at the W Hotel Sentosa Cove on 13 February 2015. The theme for the party was “Bountiful Harvest”.

Everybody dressed elegantly for the occasion, as a special prize would be awarded to the “best dressed” male and female.

At the pre-dinner reception, staff were entertained with activities such as live photo printing, Chinese paper cutting and Chinese calligraphy. Guests and staff were welcomed by our very own God of Wealth who gave gold coins to all.

The celebration started with a lion dance performance; and we were mesmerized by the colourful LED lights on the lions, which glowed splendidly in the dark ballroom.

This was followed by a welcome speech and toast from our Managing Director, Mr Hiroshi Ide.

Thereafter, the first batch of lucky draw results was announced, followed by the presentation of Safety Awards.

Food was then served and everyone enjoyed the sumptuous dinner.

The eventful party proceeded with games, and performances such as Face-Changing Showtime, and Echo and Bounce.

More prizes were given out to lucky draw winners; and the best dressed male and female were awarded with \$500 each.



We would like to take this opportunity to thank our generous sponsors for the prizes.

The party ended with the singing of our company song entitled “Rising to the Challenge”, followed by a toast to JEL’s continued success! It was a night filled with fun and laughter and enjoyed by all.



JEL MAINTENANCE UPDATES

GSK ELPIS - BROWN FIELD PROJECT

Owner: GSK

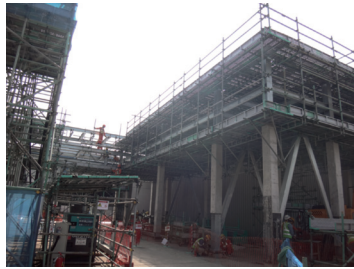
Epcm Contractor: Jacobs Engineering

Location: Boon Lay

Contractor: JML

Duration: Oct 2014 – April 2015

- Fabrication, assembly and erection of structures (with fireproofing) – 220 Tons
- Equipment installation – 226 Tons
- Fabrication, erection, testing, painting and insulation of piping - 32,000 dia inch
- Fabrication and erection of piping support and miscellaneous – 20 Tons
- Installation of all inline instruments
- Peak manpower – 250



WASTE HEAT BOILERS 1A & 1B LP EVAPORATOR TUBES TOTAL REPLACEMENT WORKS AT CONNAUGHT BRIDGE POWER STATION AT KLANG SELANGOR, MALAYSIA

Owner: Connaught Bridge Power Plant

Location: Klang Selangor, Malaysia

Contractor: JML, Malaysia

Duration: Dec 2014 – Jan 2015

Low Pressure Evaporator total finned tubes replacement including bend tubes at inlet side

- Supply and replacement of finned tubes (15meter length from Spain manufacturer) – 792 Tubes
- Supply and replacement of inlet header's bend tubes using stub tube removal machine
- Period of shutdown – 45 Days



AWARDS AND RECOGNITION



LUCKY DRAW CONTEST

For the first five correct entries picked, the winners will each receive NTUC Vouchers worth S\$30.00, sponsored by the Corporate Affairs Division.

Simply answer all five 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.)

Name : _____ **NRIC No:** _____

Address: _____

The questions for the contest are:

1. When was the first Health, Safety and Environment (HSE) conference held and what is the ultimate objective of the conference?

2. What is the theme for the JEL Staff Party 2015, held at the W Hotel Sentosa Cove; and name three performances of the night.

3. Name the five (5) key initiatives of the JEL Group Management Policies that should be focused on in order to strengthen JEL's position in existing markets.

4. JEL Maintenance Group did well in 2014. The commendable performance was attributed to:

5. During the Annual Subsidiaries and Finance Meeting, Managing Director & Chief Executive Officer, Mr Hiroshi Ide, mentioned ways to overcome challenges that came our way. What are they?

CONTACT

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