



PandaNews

COSCO SHIPYARD NEWSPAPER

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Spring Festival Greetings



When the New Year of the Rabbit approached, the top management team of the COSCO Group, led by Mr. Zhang Fusheng, the Secretary of the Party Committee and the Executive Vice President of

the COSCO Group, Mr. Xu Lirong, Vice President of the COSCO Group, Ms. Sun Yueying, CFO of the COSCO Group, and Mr. Ma Guichuan, COSCO Holdings (Singapore), paid a visit to the COSCO Shipyard Group to



extend new year greetings ahead of the Spring Festival. Mr. Wang Xingru, President of the COSCO Shipyard Group, and Mr. Ma Zhihong, Party Secretary of the COSCO Shipyard Group, accompanied the leaders



to fan out to inspect the subsidiary shipyards in Zhoushan, Nantong and Dalian.

During their tour, the COSCO Group top management inspected the construction sites, greeted the



workers with New Year wishes, and also gave red envelopes to the workers to encourage them to contribute to the company and show appreciation for their hard work in the past year.

Media focus on Qidong Offshore Base



Here in the Qidong shipbuilding industry zone, at the mouth of the Yangtze River, we can see the world's most advanced offshore drilling units under construction, but who could have supposed this would ever happen given that just three years ago it was merely a deserted swamp and wasteland. On February 8, the "news broadcast" of CCTV shot a large feature report on the construction and production of the COSCO Qidong offshore base.

COSCO Shipyard successfully built the Qidong offshore base, in line with the Jiangsu coastal

development planning approved by the State Council, and in a positive response to the State Council's plan on accelerating the development of strategic emerging industries.

In the news, the reporter paid a special visit to the Qidong base to interview Mr. Wang Xingru, President of COSCO Shipyard Group. Mr. Wang gave a key introduction as to how COSCO Shipyard had seized the strategic opportunity to boost the product transition and enter into the high-end offshore engineering field driven by technological innovation.



Benefits available to partners

By Han xu

"Your utmost attendance and cooperation during our vessel's dry dock is greatly appreciated. It is my sincere opinion that we are extremely satisfied with the service which was provided by you and we will avail ourselves of your expertise again in the future. I want to take this opportunity to thank you for all of your support so far. We will be looking forward to a repeat of our mutual performance."

This appreciation letter to Mr Hu Jianqing, the commercial Director, was received from Nemtas Shipping in Turkey. It is a subsidiary of Türkiye İş Bank which is a leading bank in Turkey.

The bulk carrier vessel, KARSIYAKA, built in 1999, was repaired in COSCO Lianyungang Shipyard during the Christmas

period.

The main work involved sand blasting and painting including, for example, No.1 to No.5 cargo holds, the shell plate and fore peak tank.

Other work included the removal of No.1 to No.5 hatch covers for repair and painting ashore, zinc anode renewal, partial insertions, marking of the company logo on the ship's stern, tube shaft removal and shaft seal renewals.

The project team gained the trust of the owner. Obviously, as usual, the ship owner stressed the importance of quality and delivery time. The final result attained the satisfaction of all involved. What is more, the contract built a bridge which will pave the way to further successful cooperation for the two companies.

COSCO Shipyard's Best Agents of the year 2010

For years, our good agents have maintained a close and effective contact between COSCO Shipyard and the ship owners, and actively assisted us in promoting our enterprise image. At the beginning of the year, after approval by President Wang Xingru, COSCO Shipyard Group presented the title of "Best Agents of the Year 2010" to our top five agents. Along with the title, the agents were also awarded certificates and generous gifts. The awards recognise the hard work that our agents have put in during the past year to assist COSCO Shipyard in growing the business of ship repair and conversion work in such a competitive market. With their great efforts and long-term support, COSCO Shipyard obtained considerably more projects and, at the same time, the production requirements for all of our subsidiary shipyards were met, which has ensured that COSCO Shipyard remains

in a strong position in the business of ship repair and conversion.



COSCO SHENGSHI Delivery

On February 16, the first 5000 unit PCTC built by COSCO Zhoushan Shipyard, was named COSCO SHENGSHI and successfully delivered to GUANGZHOU OCEAN SHIPPING CO., LTD. The delivery was timed perfectly for the shift in the export of Chinese brand cars from relying on transport provided by foreign vehicle carriers to that provided by domestic ships.

Mr. Guo Jing, Chief Operating Officer of COSCO Shipping Co., Ltd., Mr. Gao Yongjun, the manager of Ship Planning Office of the Department of Strategic Development of COSCO Group, Mr. Tan Li, General Manager of the development Dept of Guangzhou Ocean Shipping Co., Ltd., Mr. Chen Daming, General Manager of COSCO International Ship Trading (Beijing) Co., Ltd., Mr. T. Hayashi, General Manager of NK Class in China, and Mr. Zhan Shuming, Chief Engineer of COSCO Shipyard Group, were among hundreds of people who attended the ceremony.

The vessel is the first in the series of two 5000 unit PCTCs, jointly designed by COSCO Zhoushan Shipyard and Shanghai Design Institute, and registered with NK

The 14,500dwt PCTC is a state-of-the-art complex product with high value-added features. It measures 182.8m in length, 32.2m in breadth, 14.95m in depth, and has a navigation speed of 20 knots. With three adjustable decks, it can satisfy the height requirements of different vehicles and load 5000 standard vehicles. The car carrier performs well in terms of anti-distortion, and features a small ship type, high power, and fast speed. Meanwhile, the highly automatic ship can achieve one person operation by means of Electronic Charts, GPS navigation and other advanced equipment.



Class.

With the rapid development of the automobile industry in China, automobile exports have soared in recent years, but the development of car carriers has lagged behind Japan, South Korea and the European countries. In response to the requirements of the Chinese government, COSCO Group has decided to establish its own car carrier fleet, unblocking the

bottleneck of the ocean shipping for China's auto exports.

In August 2006, COSCO Group signed 15-year strategic cooperation agreements with 17 auto companies such as Chang'an Automobile (Group) Co., Ltd. and Chery Automobile Co., Ltd. Following that, Guangzhou Ocean Shipping Company kicked off the car carrier project. As one of the most promising shipbuilding yards under COSCO Shipyard's umbrella,

COSCO Zhoushan Shipyard was honored to be the pioneer of the decision-making and shoulder the big responsibility of building the first 5000 unit PCTC.

The global financial crisis had a dramatic impact on the world shipping market during the PCTC construction period. Both the owner and yard faced unprecedented pressure. However, they made a common choice spontaneously:

to take the initiative to overcome the adverse effects of the financial crisis, understand and actively cooperate with each other, all for the earliest possible delivery and the achievement of the win-win goal. The successful delivery of COSCO Shengshi is also a generous gift COSCO Shipyard and Guangzhou Ocean Shipping jointly offered to celebrate the fiftieth anniversary of the COSCO Group in 2011.

The successful registration of S-PDI system

At the end of January 2011, the National Copyright Administration of the PRC issued the computer software copyright registration certificate for the SAP Production & Design Integration V1.0 (referred to as S-PDI system), which has been independently developed by COSCO Shipyard. The success of registration signals that the information management system of COSCO Shipyard has entered a new stage of independent research and development.

This unique system was established by our group's own design and R&D: a project which lasted two and a half years and cost a total of 110 person-months. Different from other shipbuilding

production and management systems, the S-PDI system is based on the SAP ERP platform, and brings the integration advantages of the SAP system into full play. It has achieved integration management of the whole process of shipbuilding production.

In May 2010, the implementation of the S-PDI system commenced in COSCO Zhoushan Shipyard, after six months of stable operation, the system has assisted the Zhoushan yard in the realization of integrated production management with multiple-functions, involving the design, production, and material supply and, what is more, paving the way for the modern shipbuilding mode.

57,000DWT BULK CARRIER



On the morning of January 20, COSCO Guangdong Shipyard held a naming and delivery ceremony for the 57,000DWT bulk carrier N219, being built for the Turkish owner Semih Sohtorik Management & Agency (SSMA). The godmother, Mrs. Fatma Sohtorik, named the vessel 'Marine King'.

Mr. Emir Sohtorik, the Chairman of SSMA, as well as his mother Mrs. Fatma Sohtorik, and Mr. Mehmet Basoglu, the manager of SSMA,

N219 Naming and Delivery Ceremony

attended the delivery ceremony together with more than 200 representatives from NK Class, the Commercial Headquarters of COSCO Shipyard Group, and COSCO Guangdong Shipyard.

At the ceremony, Mr. Li Rong, General Manager of COSCO Guangdong Shipyard, warmly welcomed the guests from SSMA and NK Class who had come all the way to witness the big moment, whilst expressing his thanks to them for the trust and support they have given the Guangdong shipyard. He pointed out that Marine King was the first new build based on the close cooperation between SSMA and COSCO Guangdong Shipyard. During the construction process all the

design, construction and supervision teams revealed their high design and build standard capability and made a great example for follow-on new building projects.

Mr. Emir Sohtorik expressed his appreciation and gratitude to the COSCO Guangdong Shipyard project team, and added that both sides should further promote communication and strengthen their friendship so as to improve the work efficiency and product quality in a harmonious atmosphere.

After the ceremony, representatives from both sides planted an evergreen tree together as a symbol of their friendship and also to promote their cooperation towards an even more advanced stage.



80,000DWT BULK CARRIER

N242 Delivery

On February 11, COSCO Dalian Shipyard successfully delivered MEGA STAR, the 80,000DWT bulk carrier (N242), to the UAE owner STELLAR SHIPPING. The vessel is the second of the new builds delivered by COSCO Dalian Shipyard in 2011. Mr. Yan Chengxiang, Deputy General Manager of COSCO Shipyard Group and General Manager of COSCO Dalian Shipyard, signed the delivery documents together with CAPT. A. MUKHERJEE, Shipping Manager of STELLAR SHIPPING. On February 13, MEGA STAR set sail from the shipyard.

COSCO OFFSHORE R&D CENTER

The technological spearhead

Technology is a key to gaining competitive edge and sustainable development in the field of shipbuilding and offshore engineering. COSCO Shipyard Group is stepping up its efforts in technology innovation to ensure the fast development of the marine engineering sector.

COSCO Shipyard Group founded the Offshore Research and Development Center in COSCO Nantong Shipyard in 2007. In recent years, the Offshore R&D Center has been active in an effort to introduce offshore engineering experts from Singapore and perfect the design and management system for offshore projects. This knowledge now emerges as a team of excellence which is primarily made up of highly-skilled professionals with extensive experience in the marine industry. The team is engaging in offshore research, development, and design in accordance with a Singapore based management model.

In 2010, the Offshore R&D Center was certified as a national-level enterprise technical center due to its well-established R&D system, strong independent innovation strength, and rich achievements in offshore engineering research. The 'Jiangsu Marine Engineering Equipment Institute' project has also been given approval and backed by

government funds of up to RMB 12 million.

So far, the Offshore R&D Center owns all the independent intellectual property rights for 6 project types including the 105,000DWT Shuttle Tanker (DP2), the 59,000DWT Shuttle Tanker (DP2) and a Jack-up rig with operational capability in 300ft water depth. In addition, the designs of 10 product types, including SEVAN Driller, the GM4000 semi-submersible drilling unit, and the Vroon offshore wind turbine installation vessel have been completed. The designs of another nine types are in progress, including the Dalian Developer drillship, a Jack-up rig designed to operate at 350ft water depth, and the NG9000C offshore wind turbine installation vessel. Meanwhile, COSCO Nantong Shipyard has conducted many provincial and national level technology research projects and obtained financial support of more than RMB20 million from the government. Among them, the Sevan Driller, the first cylindrical semi-sub rig, was independently designed by the Offshore R&D Center to include the most advanced drilling capabilities, creating various world records and filling a gap in the domestic marine engineering equipment industry. Its technological achievement also ranked fourth in the China Top Ten Technological

Progress 2009 evaluation.

COSCO Shipyard Group has poured a total investment of more than RMB37 million into the Offshore R&D Center and introduced more than 10 international advanced software packages relating to design, calculation, and management. The Offshore R&D Center sets high standards for themselves to implement the design patterns of paperless 3D modeling and virtual mock-ups, as well as Computer Integrated Manufacturing System (CIMS). Up until now, the Offshore R&D Center has taken initial shape as an all-in-one engineering base which involves itself in product development and design, scientific research testing, quality inspection, new technology development and the industrialization of new products.

Furthermore, in cooperation with two technological innovation platforms - the Jiangsu Offshore Drilling Research Center and the Jiangsu Enterprise Technical center - many key technologies with independent intellectual property rights have been developed and prepared for further fabrication of new equipment. Further, the Offshore R&D Center signed strategic cooperative agreements with China National Petroleum Corporation (CNPC), Dalian Maritime University, Jiangsu University of Science and

Technology, Jiangsu University, Dalian University of Technology, and Tongji University. A technical assistance agreement was signed with Sembcorp Marine, from which Singaporean offshore engineering technologies were imported. The center has set up a long term cooperation with Global Maritime, the Norwegian offshore engineering consultancy, and they have already completed the joint design for the GM4000 Semi-sub rig. It also worked closely with F&G, the American design firm, to build the SUPER M2 jack-up rig, and prepare preliminary research and development for a semi-submersible drilling unit, a rig elevation and locking system, and also the JU2000 class rigs. In the meantime, The Offshore R&D Center has signed strategic partnership agreements with DNV, LR, ABS and CCS, among other famous classification societies.

The Offshore R&D Center depends heavily on its ability to provide innovative solutions and is aiming to become one of the top technical centers of marine engineering equipment in the world, while at the same time expediting the transfer of existing technological achievements into productivity so as to rapidly establish the COSCO Shipyard Group as the leading player in the marine engineering sector.



LeTourneau Head Visits

On February 20, a delegation headed by Mr. Thomas P. Burke, President and CEO of LeTourneau Technologies, Inc., visited COSCO Shipyard. At the group headquarters, the guests and Mr. Wang Xiangru, General Manager of COSCO Shipyard Group, had in-depth exchanges as to the situation of the two enterprises and related business.

LeTourneau is a global group of best-in-class organizations specializing in the design, manufacture, implementation and effective use of advanced technologies for onshore and offshore oil and gas drilling, forestry and mining. During this inspection, the guests indicated their high regard for the overall strength of the COSCO Shipyard, after being provided with a detailed introduction to the offshore engineering products and shown around the production site of COSCO Dalian Shipyard.

Mr. Yan Chengxiang, Deputy General Manager of COSCO Shipyard Group, Mr. Zhan Shuming, Chief Engineer of COSCO Shipyard Group, Mr. Xu Liangheng, General Manager of Offshore engineering Headquarters of COSCO Shipyard Group, Mr. Xu Xiulong, Deputy General Manager of Technology Center, and Mr. Gong Libing, Party Secretary of COSCO Dalian Shipyard, participated in the relevant exchanges and discussions.

THE FIRST WIND TURBINE INSTALLATION VESSEL

On the afternoon of Jan 28, COSCO Nantong Shipyard successfully completed the leg elevation test in dry-dock for MPI ADVENTURE, the first offshore wind turbine installation vessel.

As the second-generation wind turbine installation vessel, the six square-and-shell legs, with a hydraulic elevation system, allow for easy, fast and secure jacking operations. The maximum holding capacity of each leg reaches 7,500T. The vessel is equipped with a state of the art 1,000 ton hydraulic heavy crane, for installation of 5MW ~7MW

MPI ADVENTURE near completion



wind turbine parts.

The success of the leg elevation testing has not only been

highly praised by the owner, but also marks the project approaching its end.

THE SECOND WIND TURBINE INSTALLATION VESSEL

Taking shape

As the pile legs and pile boots of AB block were recently erected in COSCO Nantong Shipyard, the second offshore wind turbine installation vessel has taken shape.

The vessel is being built for the Dutch owner VROON B. V.. At the moment it is being prepared for launching.

SEVAN BRASIL takes shape

On the morning of January 20, the hoisting operation for the 9 top-side modules of the main hull of SEVAN BRASIL, the second deepwater semi submersible drilling rig, was smoothly accomplished. Thus the main hull of this unit has now essentially been built up into a single unit.

The hoisting operation commenced on January 13. The gross weight of all nine modules comes to 6,500 tonnes, and the

largest among them reaches 1,050 tonnes. The project team and relevant departments maintained close collaboration to work in continuous operation for 24 hours a day, eventually completing the mission 3 days ahead of schedule. The successful hoisting and installation task ensured that the project pushed forward smoothly and as-planned. This has also been a great start for COSCO Nantong Shipyard to realize its annual production target.



High efficiency in repairing the deck crane

By Han xu

At the beginning of December last year, M/V TROPICAL PEGASUS was repaired in COSCO Lianyungang Shipyard. The project was mainly involved the renovation of the deck crane. The schedule of the contract was only 5 days because of cargo loading commitments.

The 30t/26m crane is the typical product of Oriental Manufacturers (P) Limited. The crane was seriously distorted by the rotation process. Replacement of a damaged part was needed and

an emergency meeting was held.

The project team arranged the work plan as soon as possible: from the technical part to safety: analyzing the procedure and the key points together.

As the Slewing ring bearing was transported by air from Hong Kong, the workshop staff was mobilised immediately and in only 5 hours, all the work was finished, and the total project was completed in only three days. This work ensured many benefits for the owners and received a great reception from them.



A review of the repair of MV Gant Vision



Dear Sir,

As owner's representative acting on behalf of Anthony Giavridis Maritime Inc, I would like to express to you my personal and friendly thanks for the excellent repair team that you selected in order to repair our vessel Gant Vision.

My question is, from which person can I commence my good comments? Let us start from a real and excellent Ship Repair Manager, named Mr. Jin Ming, really same person at S.R.M. position I had met once again six years ago in COSCO Nantong Shipyard (MV Dynamic in July 2004).

Please you are kindly requested to accept my personal opinion through 28 years of experience in shipping, says that we need same S.R.M., in COSCO Shipyard Group for successful repairs and to care actually for our vessels.

It is imperative to produce and to promote same ship repair managers as Mr. Jin Ming is. Many-many thanks Mr. Jin Ming for your cooperation.

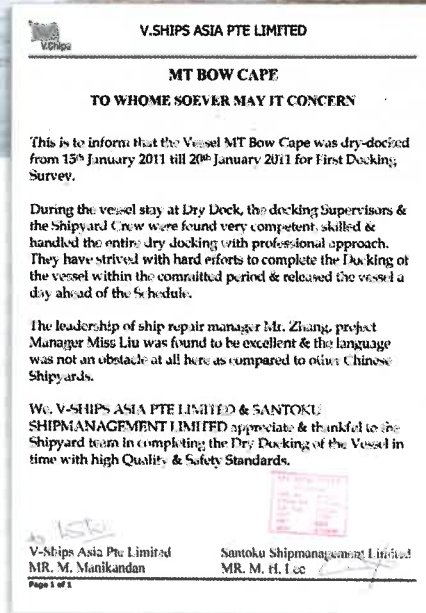
How can I talk with single words for the project manager of business department Mr. Li Ning, a professional that I met first time in my life in shipping business. He is care really for all vessels' matters working also so hard, giving best efforts with actual results to our vessels. He is excellent. Many-many thanks Mr. Li Ning for your actual support and results.

How is possible to talk simply for the mechanical supervisor Mr. Zhuang, painting supervisor Mr. Zhou, docking supervisor Mr. J. D. Zheng, all the above gentlemen, trying so much to deliver a quality job, not only to complete the job but to get the pleasure from owner's representative also. This is the grade. Many-many thanks "all of you".

I wish a happy and healthy Chinese New Year for all of you and for your families.

J. P. Kavopoulos
Owner Representative
For Anthony Giavridis Maritime Inc
28 January 2011

BOW CAPE sailed ahead of schedule



By Liu hongyan

After 6 days of hard work, the BOW CAPE, a chemical tanker, recently sailed from COSCO Shanghai Shipyard two days ahead of schedule. The Superintendents Mr. Manikandan Muthusamy and Mr. Myeongho Lee from the ship management company V. SHIPS (ASIA) PTE LTD. and the ship owner SANTOKU SHIPMANAGEMENT LIMITED praised the repair and the yard project team highly. Watching the ship moving away from the quay, the shipowner's representative said excitedly, "All of the repair jobs were in strict quality, safety and contract schedule control. I was deeply touched by the fighting spirit of all the yard project team members. The word SURPRISE was in the daily report to my office. I will suggest ship owners arrange more repairs in COSCO Shanghai Shipyard."

Lantern festival celebration party

The Lantern Festival is a traditional Chinese festival, which is celebrated by the Chinese in many countries. In the Chinese lunar calendar, it is held on the fifteenth day of the first month, making it the first major festival after the Chinese New Year.

When the festival was approaching, a riddle-solving party hosted by COSCO Lianyungang Shipyard attracted many Chinese owners.

The superintendent from Hebei Ocean Shipping was very excited after joining the program. He said everyone likes this kind of activity because it mixes interest and knowledge together. Both were able to come much closer and the enthusiasm was remembered by the owners. This was a beautiful memory for everyone.

At the appreciation banquet in COSCO Guangdong Shipyard, the

ship owners said that the COSCO Guangdong Shipyard had organized such a wealth of activities for them in the Chinese traditional festival that they were very grateful for the arrangement, especially for those who were able to spend no time with their families. They said that During such a significant festival, it makes perfect sense for us to enjoy it with the staff of production management, and the amazing party makes us feel at home".

