



PandaNews

COSCO SHIPYARD NEWSPAPER

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VOLUME
80

25 August 2012
MONTHLY

MISSION STATEMENT To be a world leader in ship repair, conversion, new building and offshore marine engineering, we maintain trusting relationships with our customers, employers, and partners, yielding best returns for shareholders, society and environment. Depending on our talented engineers working alongside with an efficient project management team and a highly skilled workforce, we could guarantee to deliver the projects we undertake timely and professionally.

First 35000DWT bulk carrier naming and delivery

On August 10, COSCO Guangdong Shipyards held a naming ceremony for its first 35000DWT bulk carrier, N352. The godmother, Ms. Selin Sohtorik, named the ship "Marine Prince". Mr. Emir Sohtorik, the Chairman of SEMIH, and Mr. Huan Yueshi, the yard's deputy GM, signed the delivery contract.

Mr. S. Kakubari, the deputy director of NK, Mr. T.Hayashi, the G.M. of NK China, and representatives from the owner's construction team, as well as yard leaders and workers, were among the 200 people who witnessed the big moment.

The vessel, 179.99m in length, 30m in width and 14.7m in depth has a scantling draft of 10.10 meters and its length between perpendiculars is 172 meters. Equipped with 6S46MC-C8.1 main engine, three 600KW auxiliary engines and four 30T x 26m cranes, the vessel is measured with 35,500 Tonnes DWT, 14 knots speed and 20

T/D fuel consumption. The vessel's EEDI (Energy Efficiency Design Index) reaches 83% of the reference line, among all the other specifications that come up to an international advanced level.

COSCO Shipyards owns the full intellectual property of this 35000 DWT bulk carrier design, having completed all the basic design, detailed design and production design. The successful delivery of N352 is another symphony of cooperation between the group's Technic Center and the yards, and has also laid the foundation for the building of ships N353, N366 and N470 in the same series.

Now, the group's Technic Center and COSCO Guangdong Shipyards will investigate further the optimization of this ship's structure, main engine selection and energy-saving technology: striving to build a leading brand for COSCO Shipyards.



General Manager Visited Hong Kong Clients

From August 6 to 9, Mr. Wang Yuhang, the General Manager of COSCO, along with Mr. Xudong Xiao, the Executive Vice President of the Commercial Headquarters, visited the COSCO Hong Kong Group, NOBLE Group and other enterprises.

The COSCO (H.K.) Group and its subsidiaries, COSCO International Holdings Limited and COSCO (HK) Industry & Trade Holdings Limited, all have many years of friendship and cooperation with COSCO Shipyards. Due to the continuous downturn in the shipping market, the two sides had in-depth exchanges on several key questions, including how to survive and develop in a crisis and how to make full use of their advantages to further

deepen their fields and intensity of cooperation to maximize mutual support and mutual development. At the end of the meeting the two sides entered into preliminary strategic cooperation intent.

The NOBLE Group is amongst the world's leading multinational corporations, and topped 91 in the 2012 Fortune 500 list. The NOBLE Group is also an old friend of COSCO Shipyards. Over the years the two sides have had extensive and close cooperation in ship repair and shipbuilding. At the meeting, Mr. Wang Yuhang and Mr. Bangor, Vice Chairman of the Group, carried out extensive exchanges in respect of the current world economy and shipping situation and the strengthening of bilateral cooperation.



Agreement of Intent on Marine Equipment Project

On August 12, the China Ocean Shipping (Group) Company and the People's Government of Shanghai signed a strategic cooperation framework agreement. Mr. Wei Jiafu, Chairman and party secretary of the COSCO Group, and Mr. Ai Baojun, the Vice Mayor and standing Committee member of the People's Government of Shanghai, attended the ceremony and delivered a speech. Mr. Ma Zehua, the G.M. of the COSCO Group, signed a "Framework agreement on strategic cooperation between the COSCO Group and the People's Government of Shanghai" with Mr. Xiao Guiyu, the Deputy Secretary-General of the People's Government of Shanghai. Mr. Li Yunpeng, the Deputy G.M. of the COSCO Group, introduced the current status of bilateral cooperation and main points of the agreement. Mr. Wang Yuhang, the G.M. of the COSCO Shipyards Group, signed the "Agreement of Intent on Marine Equipment Project between the COSCO Shipyards Group and Shanghai Changxing Island" with Mr. Wuyi, the Deputy Director of the Development Office of Shanghai Changxing Island. Mr.

Ma Zhihong, the Party secretary of COSCO Shipyards, also participated in the ceremony.

The strategic cooperation between the COSCO Group and the People's Government of Shanghai covers 5 aspects: the building of the International Shipping Center, the construction of the National Marine Engineering Technology Center, the construction of the Manufacturing Base for marine engineering equipment, integrated logistics and shipping services. Based on the agreement, the COSCO Group will continue to expand its business and increase its investment in Shanghai, turning Shanghai into its important strategic base for shipping services, integrated logistics, marine engineering technology R & D, marine equipment manufacturing and special ship building business. This will contribute greatly to the realization of the "Four Centers" policy and the economic transformation in Shanghai. The People's Government of Shanghai, based on the principle of "focus on the long term, mutually beneficial, win-win cooperation and mutual development", supports the decision of the COSCO Group to make Shanghai an important

base for project investment and business development. They will provide their best services and preferential policies to support the planning of Shanghai-based projects and the use of land and coastline resources, creating a favorable investment environment for the COSCO Group.

One of the main contents of the strategic cooperation is the COSCO Shipyards Group's investment in the marine equipment industry on Changxing Island. Under the agreement, the COSCO Shipyards Group will see its relocation on Changxing Island as an opportunity to further optimize the product structure and actively develop the high-tech, high value-added marine equipment industry on Changxing Island, building a first-class marine engineering technology center and R & D manufacturing base to fully participate in the construction of the world's advanced marine equipment island. The Development Office of Shanghai Changxing Island will give full play to its advantages of integrated facilities and favourable policies to create a favourable investment environment for COSCO Shipyards and actively coordinate and support the settlement of the project.

12,000DWT ASPHALT CARRIER/ OIL TANKER

N409 naming and delivery

On August 3, COSCO Dalian Shipyard held a naming and delivery ceremony for N409, the 12,000DWT asphalt carrier/ oil tanker built for Xin Deyuan (HK) Shipyard Co. Ltd. Mr. Li Dongxu, the president of SASAC (State-owned Assets Supervision and Administration Commission of the State Council), Mr. Ye Weilong, the deputy G.M. of COSCO Group, Mr. Ding Xiaoli, the Chairman of Xin Deyuan (HK) Shipyard Co. Ltd, Mr. Wang Yuhang,

the President of COSCO Shipyard, and leaders from the yard attended the naming and delivery ceremony. The Godmother Ms Liu Ping named the vessel "Zhuang Yuan Ao".

A signing ceremony for a new strategic agreement was held between the two sides.

The vessel is the second 12,000DWT asphalt carrier/ oil tanker operated by Xin Deyuan (HK) Shipyard Co. Ltd, with the largest tonnage among asphalt

carriers in Asia. After delivery, the vessel will be operated by COSCO Southern Asphalt Shipping Co. Ltd. on its global routes.

The special ship is a new business stream for COSCO Dalian Shipyard following its construction of 57K, 80K, 82K, 92.5K bulk carriers and 30K heavy lift vessels. The yard completed the project in record time, within ten and a half months, which was faster than previous first-in-series ships.



35,000DWT BULK CARRIER

N353 launching

On August 6, COSCO Guangdong Shipyard held a launching ceremony for N353, the second 35,000DWT bulk carrier built for SEMIH. Two other vessels in the same series are also under construction in the yard.



57,000DWT BULK CARRIER

N342 keel laying

On July 18, COSCO Guangdong Shipyard held a keel laying ceremony for the 57,000DWT bulk carrier, N342. The ship is the 4th one in its series built by the yard for ER company.



N276 named

On August 16, COSCO Dalian Shipyard held a naming ceremony for the second 57,000 DWT bulk carrier built for the State Development and Investment Corporation (SDIC). Mr. Liu Guojun, the deputy G. M. of SDIC Logistics Investment Co. Ltd. and the G.M of SDIC Far East Shipping Co. Ltd., Mr. Wang Baochun, the deputy G.M. of CCS Dalian branch, Mr. Chenbin, the deputy

G.M. of COSCO Dalian Shipyard, and other leaders co-witnessed the big moment. Mr. Liu Guojun named the vessel "SDIC 106".

The vessel, 189.99m in length, 32.26m in width and 18m in depth, is the second 57,000DWT bulk carrier built for SDIC by the yard. The first vessel "SDIC 105" is already serving the company which is very satisfied with its performance.



N384 launching and N386 keel laying

On July 31, COSCO Zhoushan Shipyard held a launching ceremony for the 57,000DWT bulk carrier N384, built for OCEANSTA.

A keel laying ceremony for N386, OCEANSTA's fourth 57000DWT bulk carrier, which is also built by the yard, was held on the next day.

Summer family activity for subcontractor employees

On August 2, COSCO Guangdong Shipyard organised a summer family activity day for subcontractor employees, during which children from the subcontractor employees' families visited the ship production site. A variety of activities and funny games were held. While spending a great summer time with their parents, the children were also

given a sense of both the glory and hardship of their parents' work. This is the second time COSCO Guangdong Shipyard had organised summer family activities.

On August 5, COSCO Shanghai Shipyard Youth League, Huajing Town Youth League, Xinqiba (the 8th day of a week) Town and Feiyang Huaxia Societies jointly organised a "Dreams Come True"

activity in Xinqiba Town. 43 children from subcontractor employees' families and communities entered the Scenario Simulation Base for children in Xinqiba Town to "have a taste of being an adult", playing different roles independently in the virtual society, experiencing the joy of different occupations and feeling the responsibilities of the adult world.





GM4000 thruster installation

On August 25, after five days of unceasing work, the offshore installation of six thrusters in the world's sixth generation semi-submersible rig GM4000 was successfully completed in COSCO Nantong Shipyard. The rig has passed a series of tests and is ready for sea trial. Fully satisfied with the installation of thrusters and the inspection works, the owner's representative gave the on-spot constructors the thumbs up, saying that it was the best team that he had worked with in

China.

The installation of the six thrusters began at 15:10, August 20, when GM4000 arrived in COSCO Nantong Shipyard after being on tow for 50 hours. To make sure that the installation goes smoothly, COSCO Nantong Shipyard started planning before the rig launched out, carrying out several on-the-spot investigations and technological demonstrations, taking into consideration the impacts of the tides and the approaching typhoon. Under the

guidance of Mr. Guo Xiaodong and Mr. Qiu Ming, Assistant General Managers of COSCO Shipyard Group, utilizing advanced hydraulic lifting technology, the project team set the new record of completing the installation and commissioning of six thrusters within five days.

The successful installation of thrusters in GM4000 gave a firm base for the sea trial and delivery of the rig and provided valuable experience for the thruster installation for other offshore products.



Visit to Anshan Iron and Steel Group

On August 10, Mr. Li Dongxu, Chairman of the SASAC Supervisory Board of key state enterprises, accompanied by Mr. Ma Zhihong, the Party Secretary of COSCO Shipyard, paid a visit to Mr. Zhang Xiaogang, the Central Committee alternate member and General Manager of Anshan Iron and Steel Group.

After the inspection of the world-class cold-rolled / hot-rolled production line in Anshan Iron and Steel Group, the two sides had in-depth exchanges. Mr. Zhang Xiaogang introduced the status of Anshan Group's production and operations. After that, Mr. Li Dongxu presented him

with a model of the world's first cylindrical ultra-deepwater drilling platform built by COSCO Shipyard.

Mr. Ma Zhihong introduced the close cooperative relationship between COSCO Shipyard and Anshan Iron and Steel Group, established after the signing of a strategic cooperation agreement, and the development of the marine business of COSCO Shipyard. Zhang spoke highly of the good performance achieved by COSCO Shipyard; he hoped that the two sides would cooperate more closely to create a competitive supply chain and enhance the risk resistance capacity of both sides.

T-17 DRILLING TENDER

N402 launching

On July 24, COSCO Nantong Shipyard held a successful launching ceremony for the Seadrill T-17 drilling tender, N402. This is the third tender barge built by the yard for Seadrill. Now that the vessel has been launched, equipment installation and commissioning will be carried out.



T-18 DRILLING TENDER

N512 steel cutting

On August 8, COSCO Nantong Shipyard held a steel cutting ceremony for the Seadrill T-18 drilling tender, N512, the fourth tender barge built by the yard for Seadrill.



Marine technology R & D personnel training plan launched

On August 7, a video conference titled "All Staff Training – the Cultivation of Marine Technology R & D Talents and the Work of Professionals and Technicians" was held in COSCO Nantong Shipyard and COSCO Qidong Shipyard. The event officially launched the marine technology research and development personnel training plan. Nearly 200 COSCO employees, including the COSCO offshore R & D center staff, technical managers, consultants and designers of various projects, attended the meeting. The conference will be followed by a six month training course in accordance with the plan.

Since 2012, COSCO Nantong Shipyard and COSCO Qidong Shipyard, have been improving their personnel training systems with advanced concepts, establishing their all-staff training system, plotting and carrying out the "16+10" plan (16 marine construction teams + 10 teams of backup talents) and the "3 Core Teams" plan (technical research and development, project management, main work types). Following the "Marine Project Management", "Marine Main Work Types" and "Double Training Double Built" training programmes, this conference launched the Marine R & D

talents training programme. At this point, the company's all-staff training system and the establishment of 3 core teams is in full swing.

Mr. Zhu Zhihong, Party Secretary of COSCO Nantong Shipyard, and Mr. Xu Xiulong, Deputy General Manager of COSCO Shipyard offshore R & D center, attended the meeting and made a speech. Mr. Xu Xiulong started his speech with the risk assessment to the oil companies, using the example of the training system established by foreign companies to emphasize the importance of training; he required that we establish a sense of crisis, strive to improve our skills in our own posts, and work hard to create values for the company. Mr. Zhu Zhihong emphasized the importance of technology research and development to the development of the enterprise and marine construction; he required that we observe the direction of offshore development, the overall planning and the future needs of Nantong and Qidong Shipyards, in accordance with which we should carry out our staff training plan, striving to accomplish the "16 +10" plan to provide a strong talent base for the marine engineering business of COSCO Shipyard.

“Horizon Trader” repaired in COSCO Zhoushan

On July 23, 2012, “HORIZON TRADER” set out on her next voyage following the successful completion of significant repairs and modifications. COSCO Zhoushan managed to complete the project in 58 days, due to much hard work and effort.

C/V “HORIZON TRADER” belongs to “HORIZON LINES, LLC”, which maintains a fleet of 15 fully Jones Act qualified vessels and operates five USA port terminals in Alaska, Hawaii and Puerto Rico. It is one of the US’s leading domestic ocean shipping companies and the only ocean cargo carrier serving all three non-contiguous domestic markets of Alaska, Hawaii and Puerto Rico from the continental United States. This is the fourth time COSCO Zhoushan Shipyard had worked in cooperation with HORIZON LINES, LLC. Three other vessels belonging to the company, named “Horizon Consumer”, “Horizon Producer” & “Horizon Pacific”, have also been repaired and modified by the yard since April last year. During a short period of 17 months, Horizon Lines brought 4 big projects for repair, making them a great friend and partner of COSCO Zhoushan Shipyard.

C/V “HORIZON TRADER” is a 40 year old container vessel with a steam engine and this was a huge project for COSCO Zhoushan shipyard, especially in the middle of the 2012 plum rain season, as well as being also partially in the hot season. The contract involved work in very diverse locations; from the bottom of holds to the coamings, from engine room bottom to the bridge and from bow to stern. The major work involved almost 660 tonnes of steel renewals, 8300 sq.m. of tank coating in 8 tanks, reefer ventilation and platform structure modification in 4 holds, installation of a new generator room and pipes in No.13 hold, the supply and laying of about 4600 meters of cable, as well as some unusual work, such as foam removal by water hydro-jetting and permanent ballast removal by drilling among others. Meanwhile, a great many outfitting and small jobs also needed to be carried out which involved 13 holds/hatches, 44 ballast tanks, 33 oil tanks and very narrow engine room spaces. Besides the rain

and high temperatures, we suffered from many difficulties associated with tasks conflicting with nearby jobs. However, the repair team members worked overtime on it and each department attached great importance to it. Our party secretary Mr. Cao Huadong also directed and paid much attention to the tasks in hand. The successful repair of C/V “HORIZON TRADER” really showcased the Cosco Zhoushan spirit of always fighting to achieve pioneering and innovative solutions through hard work. Everyday the sub-contractors were divided into two groups to take turns working day and night. When the project approached the end, the repair team was led by the SRM, who stayed on board for four days to make sure the vessel would sail in time.

Our commercial department also paid great attention to the project. For this huge repair and modification, according to much experience from previous vessels, our department organized production meetings every weekend, where our big boss Mr. Cao, as well as production department directors were invited. At the meeting we discussed the master schedule and major item details with the superintendents, listened to their comments, in accordance with which we then made adjustments to our arrangements as soon as possible. Driven by effective communication, this practice resulted in very smooth progress in production. We also arranged other interesting activities for the teams, such as joining together for a BBQ, holding parties and so on, in order to keep our relationship on top form and also to relax.

On July 23rd, 2012, C/V “HORIZON TRADER” sailed successfully thanks to “Horizon Lines” and the site superintendents’ cooperation and strong support. It was a big victory for us against unfortunate weather conditions and a very difficult and challenging workscope, which has not only shown the COSCO Zhoushan spirit, but also improved and developed the relationship between both parties; “Horizon Lines, LLC” and “Cosco Zhoushan Shipyard”.



Repair of “Sarwar Jahan” & “Khadiza Jahan”

The Brave Royal Ship Management (BD) Limited vessels “Sarwar Jahan” and “Khadiza Jahan” arrived at COSCO Zhoushan shipyard at the same time. These vessels are their fourth and fifth vessels to come to the yard for repair. Brave Royal is an important client of ours, our relationship with whom has been developed through our strength in ship-repair. Their company owns outright fourteen bulk carriers. Since their first vessel “Jahan Moni” was repaired in our shipyard in October 2011, our good quality and considerate service has deeply impressed them. Since then, “Maa Saleha Begum” and “Maa Samuda Khatun” have successively come to our shipyard for repair.

“SARWAR JAHAN” is a 27 year old bulk carrier. The repair task mainly involved painting and machinery work including cargo hold, main deck and hull sandblasting and painting and sounding piping, TST filling piping, main sea water line and fire main line renewals totalling 950 meters. Water ballast tank steel structure renewals of more than 80 tonnes were also needed. Moreover it suffered the effects of No.11 typhoon HAIKUI during the repair.

The shipyard made very successful arrangements to avoid any loss in such bad weather. Although the typhoon did indeed affect the progress, it still sailed three days in advance of the scheduled departure date.

Another vessel, “KHADIZA JAHAN”, required urgent repair to meet its scheduled cargo commitments. The work primarily involved the renewal of the main sea water pipe. To ensure the work was finished in good time, the yard worked day and night to push the project ahead with high quality. Meanwhile, attention had to be paid to such matters as minimal working space, a bad working environment and high

temperatures. The shipyard and ship owners’ combined efforts resulted in “Khadiza Jahan” sailing one day in advance of schedule.

Site superintendent Mr. Imamuddin was satisfied with the two vessels’ repair and pleased that they sailed ahead of schedule. He wrote us a letter of thanks. This repair has further strengthened their inclination to cooperate with us. Their next two vessels “Brave Royal” and “Jahan Brothers” will come to the COSCO shipyard in September, 2012. We’re looking forward to another successful project.

Attached is a appreciation letter from Technical Superintendent of Brave Royal Ship Management Limited.

Dear Mr. Guo and Su,

Good day Sirs,

Hope you are all in good health and fine. I am Md. Imamuddin, Technical Superintendent of Brave Royal Ship Management (BD) Limited. So far we have done 05 nos. of our fleet vessels Repair and Dry-docking in your good yard of “Cosco (Zhoushan) Ship yard”. During this time we knew lot of your good people. Especially in my tenure (Sarwar Jahan and Khadiza Jahan) I found very good co-operation from your yard side. For this good co-operation I could complete the Repair and Dry-docking of my vessels well in advance before the due time. All the SRM and their subordinates I found them very co-operative. Especially Project Manager Mr. Ye Min was all the time in my favorable side. I found him very good cooperative.

Will appreciate to keep maintain this working environment and chain of trust, co-operation and sincerity in future also between our company of “Brave Royal Ship Management (BD) Limited” and “Cosco Ship yard”.

Thank you very much all of you and hope see you in November 2012 with “Shahriar Jahan”.

Best regards.

“Bunga Kelana 6” and “Eagle Augusta” docking repair at yard

AET Shipmanagement (Singapore) Pte., Ltd. is one of COSCO Shipyard’s core clients. Recently two of her oil tankers (“ Bunga Kelana 6” and “Eagle Augusta”) were repaired in our yard at the same time. AET is one of the most famous oil tanker management companies in the world; many of their tankers work for Shell and Exxon Mobil, so they have higher safety, quality

and environment management standards. For these two tankers, the attending superintendent always required the highest quality of work. The shipyard also gave top priority to these contracts, including ensuring adequate facilities and man power availability for the repair programme for the two vessels, which included major machinery repair and coating work. The

major work in the “Bunga Kelana 6” project included a total renewal of the crude oil tanks heating coils with owner-supply material. The repair of the Eagle Augusta involved staging and hydro-jetting of the crude oil tanks - and the work had to be completed to a very tight schedule. At last, thanks to the yard’s great effort, both vessels sailed successfully.

“Stellar Cosmo” sailed successfully

On July 16, all planned repair items for “Stellar Cosmo” were completed and the vessel sailed successfully. She belongs to our long-term client Polaris Shipping Co., Ltd. We have cooperated on six conversion projects since 2007, including the first VLCC Stellar Cosmo conversion.

The ship repair team from the shipyard made preparations, in accordance with the dock specification, in advance, well before the vessel arrived. The main scope of the project included hull sandblasting and painting (In total 35,200 m²), and other general repair items. There were also about 20 tonnes of steel renewals added in the wing ballast

tanks distributed across more than 300 locations which needed staging of about 16000M³. Due to the additional tasks, our steel job labour was not enough at the beginning of July. In order to ensure the vessel could sail on a date acceptable to the owner, the leader of the shipyard arranged to transfer labour from another shipyard. The ship repair team tried their best to optimize the arrangements and follow up on all matters on-site to make sure all jobs were completed smoothly. The technical supervisor regularly went on board to check and ensure production technology and quality and consult with the superintendent in a timely manner,

and also with the QC control on-site, to make sure every job was completed to the satisfaction of the owner. The project manager also communicated successfully with the owner about production schedule challenges and difficulties and managed to control the sailing date, budget and repair scope to the satisfaction of the owner.

After 16 days of repair, the vessel sailed away smoothly. The successful repair of STELLAR COSMO satisfied the owner who now has no doubt in our ability to deliver good service and quality. After the vessel sailed successfully, the relationship and friendly cooperation between our two companies has become better than ever.