



PandaNews

COSCO SHIPYARD NEWSPAPER

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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.

COSCO secures seven ice-class container vessels from Maersk Line

On March 26, the COSCO Shipyard Group (CSG) secured a contract from the Copenhagen-based container shipping major, Maersk Line, to build seven 3,600-teu container vessels. They will be built by COSCO (Zhoushan) Shipyard and delivered between April and November 2017. Each vessel will measure 200 metres in length, 35.2 metres in breadth and have a 10-metre draft. The order includes an option for two additional vessels to be declared within eight months.

The order is the first in a number of new building orders in Maersk Line's investment programme of USD 15 billion over the next five years. The Maersk Line Vice President, Mr. Amdi Krogh, and the CSG President, Mr. Liang Yanfeng, signed the contract on behalf of Maersk Line and CSG. Top Management from both parties also sent their congratulations and expectations.

"I am very confident that COSCO Shipyard, with their solid ship-



building experience and a good track record, will deliver high quality and fuel efficient vessels," said Mr. Søren Toft, Maersk Line COO.

"Maersk is one of our core clients; we will do our best to deliver

the vessels in a timely manner and to a high standard, using our solid track record to enhance our brand image in the world arena," said Mr. Ma Zehua, Chairman of the COSCO Group.

Maersk Line has ordered the ice-class vessels for Seago Line, its fully-owned container shipping line dedicated to short-sea services in Europe and throughout the Mediterranean region. The vessels will

achieve unprecedented economies of scale and provide Seago Line short-sea and feeder customers with competitive services, even in the winter. They will run on marine gas oil (MGO), and are therefore compliant with the SOx (Sulphur oxides) emission limits, which went into force 1 January 2015, creating the ECA (Emission Control Area) zone in Northern Europe.

It is the first time CSG has secured a new building order from Maersk Line. It is also the first time we will build container vessels. However, we have worked with the Maersk Group in the past: in 2014, our subsidiary shipyard in Dalian secured a new building contract for four subsea supply vessels (SSV) from Maersk Supply Service, a subsidiary of the Maersk Group which specialises in providing marine services to the oil and gas industry; we've also worked with Maersk Line on vessel retrofits and dry docking.

CNBC Live: Maersk Line North Asia CEO Tim Smith talks about mass container vessel order at COSCO Shipyard

On March 26, 2015, Maersk Line signed a new building order with COSCO Shipyard for seven 3,600-teu ice-class container ves-



sels, which soon became a hot topic in the industry. On March 30, the American business news channel CNBC invited Mr. Tim Smith, Chief Executive of Maersk Line, North Asia, for a live interview, where Mr. Smith explained the decision to roll out a \$15 billion fleet renewal programme amid a slow recovery in demand.

The order is the first step in Maersk Line's investment programme over the next five years. The strategy involves new building orders and retrofit plans and is intended to add capacity in line with growth in demand for global container shipping as well as replacing less efficient chartered tonnage.

This is the first time Maersk Line has placed a new building order with COSCO Shipyard. Maersk Line is very confident that COSCO Shipyard, with its solid shipbuilding experience and good track record, will deliver high quality and fuel-efficient vessels.

The full interview can be found at the CNBC official website.

CNBC is an American cable and satellite business news television channel that is owned by the NBC Universal News Group. Today, its international spinoffs cover business headlines and provide live coverage of financial markets. The combined reach of CNBC and its sister stations is 390 million viewers around the world.

Prosafe CEO Karl Ronny Klungtvædt visits COSCO Shipyard

On March 11, a delegation from Prosafe, led by the CEO Mr. Karl Ronny Klungtvædt, paid a visit to the COSCO Shipyard Group (CSG) Commercial Headquarters (CHQ) in Shanghai. The delegation was warmly received by the CSG President, Liang Yanfeng, CHQ Managing Director Li Rong and Executive Director Shi Wei. The two parties held in-depth discussions regarding market prospects and project execution.

Prosafe is one of CSG's core clients. Our cooperation began in November 2013, when Prosafe entrusted us with the construction of two floating accommodation vessels. Both parties have been working closely on this project and everything is progressing steadily. We are determined to keep the construction process safe and efficient and deliver the vessels in a timely manner.

Liang mentioned that, as an early mover and leading player among Chinese shipyards in the offshore arena, CSG has successfully delivered 2 floating accommodation units (FAUs) and has another 7 under construction. The



Prosafe orders have enhanced our leading role in the FAU market and have taken us a big step forward in the implementation of our market strategy.

Mr. Klungtvædt described their business operations in recent years and shared his insightful view of the market situation. He pointed out that Prosafe remained competitive in the charter market with its brand popularity, financing ability and operational experience. He expressed his satisfaction with the progress of ongoing projects at CSG and said that the efficien-

cy, professionalism and devotion of the yard's business, technical, project management and construction staff impressed him. Mr. Klungtvædt said that he was confident the two vessels would be handed over as scheduled and was looking forward to working with CSG again in the future.

Prosafe is the world's leading owner and operator of semi-submersible accommodation vessels. It owns 11 semi-submersible accommodation vessels and has two more under construction at COSCO (Qidong) Offshore.

MODEC Offshore Production Systems (Singapore) President visits COSCO Shipyard

On March 19, a delegation from MODEC Offshore Production Systems (Singapore), led by the President, Mr. Sateesh Dev, paid a visit to COSCO (Dalian) Shipyard. The delegation was warmly received by the CSG President, Liang Yanfeng.

The two parties had friendly exchanges and both expressed their wish to work closer with each other. Later, accompanied by the COSCO (Dalian) Shipyard General Manager, Gao Yongqiang, and Deputy General Manager, Jiang

Rengang, the delegation inspected the latest FPSO conversion site and specified their expectations of the project.



Axis Offshore top management visit COSCO Shipyard

On March 16, a delegation from the Singapore-based Axis Offshore, led by the Chairman, Mr. Helge Haakonsen, and CEO, Mr. Jesper Kragh Andresen, paid a visit to the COSCO Shipyard Group (CSG) Shanghai Commercial Headquarters (CHQ). The delegation was warmly received by the CSG President, Liang Yanfeng, Offshore Engineering Headquarters and COSCO (Qidong) Offshore General Manager, Ni Tao, CHQ Managing Director, Li Rong, and Executive Director, Shi Wei.

Liang introduced China's development plan for the offshore marine equipment manufacturing industry and CSG's development scenario in this area. In return,

Mr. Helge Haakonsen shared with us their development plan. Both parties discussed the progress of the floating accommodation units (FAUs) being built at COSCO Shipyard and the outlook for the off-

shore oil & gas business. Specific ways of strengthening cooperation were discussed and both parties were positive that, by working together, we would pull through the market downturn.



ClassNK Chairman Noboru Ueda visits COSCO Shipyard

On March 4, a delegation from ClassNK, led by the Chairman, Mr. Noboru Ueda, paid a visit to the COSCO Shipyard Group (CSG) Dalian Head Office. The delegation was warmly received by the CSG President Liang Yanfeng and Chief Engineer Zhan Shuming.

Both parties reminisced about their pleasant encounter last year at the World Shipping (China) Summit, held in Chongqing; Liang conveyed greetings from the COSCO Group President, Li Yunpeng, who was also present at the Summit. Liang spoke highly of the technological and management expertise of ClassNK and expressed his thanks for the latter's support in our shipbuilding business, especially in the development of dual fuel bulk carriers. He wished to strengthen cooperation with ClassNK in specialised and customised projects, as well as to learn about technology and management from the latter.

Zhan said he expected closer

cooperation with ClassNK in future FPSO construction. He also invited ClassNK to share their information and experience in new technologies prompted by the Tier 3 Emission and Fuel Standards. Exchanges were also made between ClassNK and the CSG Technical Centre and Production Management Department regarding technological innovation and production techniques.

Mr. Noboru Ueda spoke about their business operations in 2014.

He expressed his thanks to CSG for recognising their services and recommending them to our clients, and wished to maintain a long term partnership with CSG and help each other improve. He said ClassNK will continue to assist in our shipbuilding business and jointly develop more specialised vessels. He also looked forward to working with us in the offshore marine arena on projects such as the above-mentioned FPSO construction.



DNV GL Vice President Torgeir Sterri visits COSCO Shipyard

On March 5, a delegation from DNV GL, led by the Vice President and Maritime Regional Manager for Greater China, Mr. Torgeir Sterri, paid a visit to the COSCO Shipyard Group (CSG) Dalian Head Office. The CSG Chief Engineer, Zhan Shuming, and the Technical Center General Manager, Zhao Zhijian, warmly received the delegation.

Zhan extended sincere thanks to DNV GL for their long-term support; he looked forward to strengthening the cooperation by inviting the latter to be more actively involved in the development, construction and delivery of



our core projects.

Mr. Sterri emphasised that CSG had always been a core client of DNV GL, which explained why he had visited us twice in the last 7 months. While the market was characterised by complexity and uncertainty, DNV GL would continue to work in solid partnership with CSG in pursuit of mutual benefit and development.

COSCO-built cylindrical floating accommodation unit on its way to Brazil

On March 20, the world's first cylindrical floating accommodation unit (FAU), "Arendal Spirit", was solidly seated on the semi-submersible heavy lift carrier, "Xiang Yun Kou", and ready for its long journey to the Brazilian Waters.

The FAU was delivered on February 16 by COSCO (Nantong) Shipyard to Singapore-based Logitel Offshore, but our involvement in the project didn't stop there. Faithful to the "Helping our clients, helping ourselves" motto, COSCO (Nantong) Shipyard sent two senior captains to assist in the loading operations, as well as more

than 20 experienced welders who worked on board 24 hours a day to connect the unit to the vessel. The owners on site were deeply impressed by their selfless devotion and gave them the thumbs-up.

"Xiang Yun Kou" is a semi-submersible heavy lift carrier owned by our sister company, COSCO Shipping Company Limited (COSCOL). The COSCO family is very good at conducting internal cooperation, providing our clients with the ultimate cooperative experience and one-stop solutions.



COSL jack-up repaired in COSCO Dalian Shipyard

A jack-up drilling rig owned by China Oilfield Services Limited (COSL), Bohai IX, has just been repaired in COSCO (Dalian) Shipyard and is ready to set out for the Gulf of Bohai to resume its drilling work. The owner's site manager spoke highly of the yard's efficiency and quality control in the execution of the project and expressed his warm thanks. This is the third jack-up drilling rig COSCO (Dalian) has repaired for COSL.

The rig measures 78.6 metres in height, 76 metres in length, 46.6 metres in breadth, and has a drilling depth of 6,000 metres. The work scope included overhaul of 16 hydraulic cylinders; erection of 65-metre high scaffolding

around the pile legs; steel structure renewal with DH36 marine and offshore steel plate (some of the structures were located beneath major facilities); renovation of part of the living area; blasting and coating of the mud pool, watertight compartment and derrick substructure and renewal of major oil and water pipelines in the engine room.

Since 1999, we have worked with COSL on two platform supply vessel (PSV) newbuilding projects and a number of drilling rig repair projects. We will continue to ensure our efficient work and sincere and enthusiastic service provide the owners with a pleasant experience.



COSCO Zhoushan delivers second 64,000-dwt bulker to KC Maritime

On March 17, COSCO (Zhoushan) Shipyard delivered a 64,000-dwt bulk carrier, "Darya Chand", to its Hong Kong-based buyer, KC Maritime. This is the second 64,000-dwt

bulk carrier we have delivered to this owner.

Classed by LR, the vessel measures 199.90 metres LOA, 32.26 metres in breadth, 18.5 metres in depth, and has a

cruising speed of 14.4 knots.

COSCO Shipyards have undertaken to build four 64,000-dwt and two 82,000-dwt bulk carriers for KC Maritime.

VLOOC to VLCC: COSCO Zhoushan redelivers Madison Orca to Navig8

Yang Guochen

COSCO (Zhoushan) Shipyard

On February 28, the conversion of Madison Orca, a very large oil ore carrier (VLOOC), to a very large crude carrier (VLCC), was successfully completed in COSCO (Zhoushan) Shipyard. This is the first VLOOC to VLCC conversion to be carried out in China and the second to be completed in the world. The vessel is managed by Singapore-based Navig8 Ship Management, a global technical management services provider and one of COSCO (Zhoushan) Shipyard's core clients.

The project involved around 2,300 tonnes of steel renewal including repairs in 5 locations on the swash bulkhead in the central cargo hold and 13 locations on the existing cross deck structure; 10 hatch covers together with their hatch coamings to be scraped; 6 sets of deck crane to be moved ashore and reused; and a large number of piping systems to be retrofitted and new ones to be installed.

The project was a challenge, as we had no experience in VLOOC to VLCC conversion and there was no example to follow. Additionally, VLOOCs are a relatively rare vessel type and we were both thrilled and a bit nervous about breaking into this field. We were also faced

with a tight schedule: the basic design, material purchase, and production preparation (that was to properly clean 5 central tanks and 10 side cargo oil tanks so that hot work could be performed) were all due to be completed in 30 days.

Focusing on each major production milestone, our technical, purchase, production and commercial departments worked in unison towards the same goal. After a lot of painstaking research and modeling, our designers produced the final plan.

In the production phase, our first task was block fabrication. Taking into consideration the delivery time of each type of steel plate, the required completion date of each block, and the availability of the yard's facilities, we managed to finish fabricating all 128 blocks within a month, most of which were transferred on board and properly installed in the next 30 days, which meant 4-5 blocks were installed per day. Advanced scaffold processing flows were adopted throughout the period, from block fabrication and block assembly to their installation on board.

The paint application on the new structure was also a vital link in the process. Whether it was properly fitted into the block fab-

rication circle was another factor that could influence the final delivery time.

Ensuring safety issues are anticipated and controlled plays a very important role in ensuring that the schedule is not delayed. In compliance with the general safety management standards, guided by our safety regulations, and focusing on this specific project, we managed the interaction of conflicting work (coating work, hot work, staging & de-staging work, etc.) very smoothly.

After conversion, the central tanks were converted to one enclosed space, which required us to meet very high quality standards. All the welded seams on deck passed nondestructive testing (NDT) and watertight testing.

From the day we started working on board to the completion of the project, a total of 65 days and nights passed. The owner's representatives, Class surveyors, our site teams and many other parties worked together in this, each of them an indispensable link in the chain that led us to success. Along with the vessel we delivered satisfaction to the owner, in reciprocation for their trust. The project marks another first in the history of COSCO (Zhoushan) Shipyard, which opens up brand new territory for us to explore.



More livestock carriers in progress

On March 3, COSCO (Guangdong) Shipyard launched the sixth livestock carrier being built for Vroon. On the same day, the keel-laying for the seventh vessel was held at the yard.

The vessels measure 134.8 metres in length, 19.6 metres in breadth, 14.8 metres in depth, and have a maximum draft of 6.8

metres. The cattle stalls cover an area of 4,500 square metres. Each vessel can accommodate up to 3,000 head of cattle.

In the last two years, COSCO (Guangdong) has successfully delivered four livestock carriers of the same design to the Dutch owner, while a fifth is at the block erection stage.



"I like working in China, in Nantong, in COSCO"

Interview with Mr. James (Ron) Moody from JRM Structural Surveys

Chao Bin

COSCO (Nantong) Shipyard

Mr. James (Ron) Moody is a marine consultant from the US-based JRM Structural Surveys. He has worked as a steel representative for SeaLand, CSX, Horizon Lines, USS Shipping, USSM and Matson for many years. He is currently working with COSCO (Nantong) Shipyard on the 45ft modification of the container vessel "Kauai" from Matson. The vessel arrived at our yard on December 18, 2014, and despite the influence of the Spring Festival, by the time the interview took place, her seventh special dry-docking survey project was 92% completed, two days ahead of schedule.

As a marine consultant, Mr. Moody has participated in the structural repair of 75 vessels in various Chinese shipyards including, to name just a few: Jiangyin Chengxi shipyard, COSCO (Dalian) Shipyard, Shekou Yiu Lian Dockyards and Shanghai Huarun Dadong Dockyard. He is an old friend of COSCO (Nantong) Shipyard and has been here numerous times in the last 14 years.

"When I first came to Nantong in 2000 with USSM on the D-9J projects, this shipyard was like all others with poor quality control and management. That time I was exhausted every day by my efforts to ensure we approached the necessary quality standard. But over the years this shipyard has become the best location to dry dock a vessel in China. I have worked with many huge, difficult projects here in past years. The then steel foremen are now members of the top management in this shipyard and the Shanghai Commercial Head Office. I enjoy working with COSCO (Nantong) Shipyard's senior repair managers, supervisors, inspectors, fitters, grinders and welders, who I am familiar with. In my opinion, COSCO (Nantong) is one of the best yards that I have attended in China. I like working in China, in Nantong, in COSCO," says Mr. Moody, which makes our hearts swell with pride and joy.

Photos: Mr. James (Ron) Moody at COSCO (Nantong), taken on 3 April 2007 (left) and 5 March 2015 (right)



COSCO Zhoushan completes four bulbous bow conversions for Wan Hai Lines

Interview with owner's Technical Manager, Mr. JC Shin

Wu Zhirong

COSCO (Zhoushan) Shipyard

Since November 2014, COSCO (Zhoushan) Shipyard has successfully completed the bulbous bow conversion on four vessels belonging to our respectable client, Wan Hai Lines, namely "Wan Hai 508", "Wan Hai 507", "Wan Hai 501" and "Wan Hai 503". When "Wan Hai 503" departed, we had the pleasure of an opportunity to chat with our friend, Mr. JC Shin, the owner's Technical Manager who oversaw the series of conversions.

At the owner's office, Mr. Shin greeted us with a smile accompanied by a warm "Welcome". He said COSCO (Zhoushan) Shipyard had made a very deep impression throughout the entire period of the projects, from his arrival the first time, for the "Wan Hai 507" project, until now. He felt comfortable and welcomed here and appreciated our staff's spirit of teamwork, which made working with us really efficient and enjoyable.

When we talked about the market, Mr. Shin agreed with us that COSCO's competitiveness stood out because of the wider range of service we provide, covering: shipping, shipbuilding, ship repair, ship conversion and offshore marine engineering. He

told us that bidding for Wan Hai projects was always brisk, with many shipyards submitting their proposals - everyone wanted to win and work with the owner. He noted that, whilst Wan Hai and COSCO Shipyards had a long-term partnership, it was not the only reason all six of their bulbous bow conversions were awarded to us. "The quality is top significant for Wan Hai whether in the past or in the future. We have seen all your work, be it docking repair and bulbous bow conversion, either with our own eyes or from our inspectors' reports; we can feel your diligence, efforts and hard work, and most importantly, we see improvement each time."

He continued with genuine excitement in his eyes, "I really had a perfect time working together with the staff of COSCO (Zhoushan). Every member on the repair team was professional, considering the next step of each sequence in advance, reporting and discussing with our superintendents and then acting accordingly and timely."

"The Senior Repair Manager (SRM) fo-

cused on the vessel's master schedule and coordinated the efforts of the whole team and the Commercial Project Manager was a real gentleman, coming to our aid at all the right times. Not only did he help keep the project going, but he also took great care of myself in this winter season, for example, he would arrange a car to send me back to the hotel when I felt chilly in the afternoon."

"I like it here. I like working with you guys. I enjoyed all the time I spent here, in COSCO (Zhoushan) Shipyard, like in a big party, in a big family. I would love to come back here for our next projects," said Mr. Shin with a smile. "Please forward my appreciation to all your staff. Thank you very much!"

We felt our hearts warm up at such affection, trust and encouragement, and we knew we were not going to let him down. If there's anything we must do, it is to ensure we continue the good relationship between Wan Hai Lines and COSCO (Zhoushan) Shipyard into the future.



Top Weather, Top Friendship

Letter of appreciation from Fairweather Steamship

"Top Weather" is a bulk carrier owned by Hong Kong-based Fairweather Steamship. She arrived at COSCO (Zhoushan) Shipyard for repair on March 10, and despite the tight schedule, we managed to get her ready to sail on March 18. The owner was happy with the job and sent us a hand-written appreciation letter, which we reproduce below as yet another reminder of a beautiful friendship.

As a long-term partner, you know very well and have always respected the special nature of our business, and you never hesitate to offer us your support whenever and however necessary. In the "Top Weather" project, you once again provided strong support, kept to her repair schedule and made it possible for her to sail on time, for which we would like to express our heartfelt thanks!

Yin Huanzhou

General Manager, Technical Dept.
Fairweather Steamship Co., Ltd.

2015 3.23

Seamless cooperation between Rickmers and COSCO Zhoushan

Ma Liang

COSCO (Zhoushan) Shipyard

"Vany Rickmers" is a vehicle carrier from the Singapore-based Rickmers Maritime Services. She is special because her arrival coincided with the Chinese New Year, which we later celebrated together.

But the first days were difficult due to a manpower shortage. The vessel arrived at COSCO (Zhoushan) Shipyard on February 20, when we had only 20 oil cleaning workers in the whole yard, which was not nearly enough. In order to keep up with the schedule, the owner's attending superintendent thought up a solution. Through the owner's company, they found an oil cleaning company in Shanghai which could



provide 20 workers. After completing the necessary safety training, they started work on board.

The major work on the vessel was the removal and maintenance of the side and stern ramps and the renewal of a total of 44 sets of vent casing, each measuring around

2x2x1.5 metres. These two projects were not as simple as they seemed because they were time-consuming and called for a lot of labour. Even had the manpower been adequate, it would have taken days to have everything properly done, but we had to try with our humble lineup

or the vessel couldn't sail on time. As time went, our workers began to return from visiting their hometowns for the New Year festivities but, meanwhile, the clock kept ticking away.

The yard summoned an urgent project meeting on board. We

went through all the major items and made arrangements with each workshop and department. With their tasks cleared, our Ship Repair Manager, Supervisors and workers went ahead at full speed. After working 24/7 for a whole week, we finally met our target.

The attending superintendent was very satisfied with the seamless cooperation between the owner and the yard; he said they understood the yard's situation during the Chinese New Year and was rather touched by our endeavours to live up to our words and deliver the vessel in time. He announced that they would definitely come back to COSCO (Zhoushan) with subsequent projects.

Seasons and the sea



Art: Sunset (1872) by John Frederick Kensett (1816-1872)

Oil on canvas, 18 x 30 in. (45.7 x 76.2 cm)
The Metropolitan Museum of Art, New York

Poem: Face the sea, where spring flowers blossom
Originally written in Chinese by Hai Zi (1964-1989)
English translation by the PandaNews

Face the sea, where spring flowers blossom

Tomorrow, I shall be a happy person

Croon the ponies, chop the wood, travel the world

Tomorrow, I shall enjoy food and vegetables

Live in a house that looks to the sea

Where spring flowers blossom

Tomorrow, I shall write to all my loved ones

To share with them the happiness

That came upon me like a flash of lightning

With a message that I shall pass on to everyone

Find a gentle name for every mountain, every stream

Strangers, you shall also have my wishes

For a kind, prosperous future

A true love to hold and treasure

And all the joys in the earthly world

And I, I wish only to face the sea

Where spring flowers blossom