



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 SHIPYARD SECURES CONTRACT FOR FOUR CONTAINER VESSELS FROM CMA CGM

On 31st May 2016, COSCO Shipyard has signed a contract with CMA CGM on the construction of four 3300TEU container vessels. These orders will highly improve the construction ability of feeder container vessel and brand image of COSCO Shipyard.

Up to now, COSCO Zhoushan Shipyard has finished 51 vessels' ship repair work from CMA CGM, and the construction orders will deepen the cooperation between two groups.

Once on March 2015, COSCO Shipyard has secured a series of 3600TEU container ves-

sels from Maersk Line. Now, the series orders from CMA CGM means the general strength and management ability of COSCO Shipyard has been recognized by the container vessel construction field and the industry influence of COSCO Shipyard is being enhanced.



Close to the owner tightly, Enhance the service gradually

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Cosco group first cooperated with Syria shipping company

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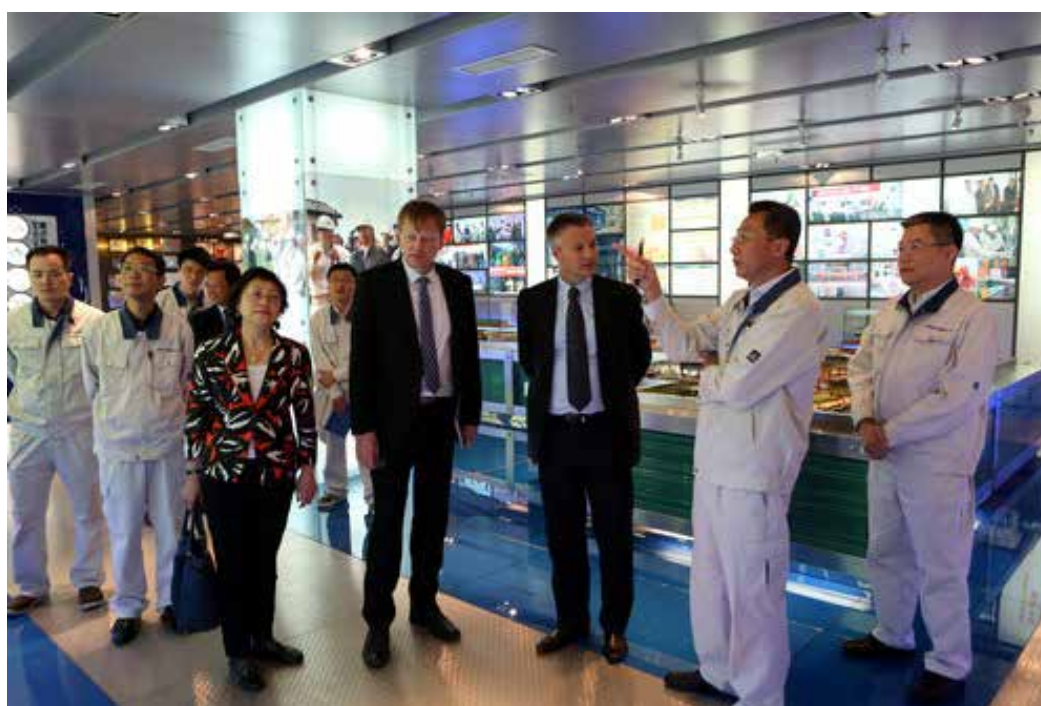
DNV GL Management delegation visit COSCO Shipyard

On May 26, DNV GL group vice President and director of maritime business Mr.Trond Hodne, vice President and greater China business development director Miss. hou Juzhen visited COSCO Shipyard, COSCO President Mr.Liang Yanfeng, Deputy GM Mr.Ni tao and Chief engineer Mr.Zhan Shuming showed warmly welcome to guests.

In the enterprise culture exhibition hall, Mr.Liang Yanfeng introduced three major business structure and current operation and production of COSCO Shipyard, as well as the safety & quality control and team building's achievements.

Mr.Trond hodne was admire the development of COSCO Shipyard, especially the achievements in the offshore field.

During the meeting, Mr.Liang Yanfeng reviewed the cooperation between COSCO Shipyard and DNV GL, and appreciated to DNV GL long term support and help, two parties also discussed how to



enhance cooperation and tide over the difficulty in such low market.

Mr. Trond Hodne introduced the offshore market trend, and technical status and development.

Mr.Trond Hodne said COSCO shipyard its important client of DNV GL, and they are care about the cooperation with COSCO Shipyard, and in the future DNV

GL will provide better services in new product development, design audit,product test area, to create a new situation of the pragmatic cooperation.



New live cattle export ship Greyman Express features 'greatest animal welfare standards' available

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Loss of Hanjin and HMM Carries Multi-Billion Price Tag

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Close to the owner tightly, Enhance the service gradually



Ship repairing industry is a service industry, the ship repairing process similar to car maintenance, but much more complex than the latter. According to a lot of people go to the 4S store maintenance experience, they always feel that the service quality should be much more better by the improvement. Most of the 4S store just only focus on the car maintenance, but for the owner is insufficient. If someone could provide you a cup of coffee during the awaiting period, I believe you will be more comfortable and satisfied from the heart, the evaluation index of this store will be greatly promoted involuntarily. Also, the ship repairing industry not only includes the main work of ship repairing, but providing "the cup of coffee" at the right time also is so important.

Nothing is trifles within the commercial business. How to provide a better and more intimate service is the eternal topic of Cosco Zhoushan Shipyard, which also one of the soft and core competitive power of our enterprise.

In order to enhance the service quality and create a more comfortable working environment, Cosco

Zhoushan Shipyard service center carried out a series of innovative measures.

The original owner office facilities were old as well as the style was single, and couldn't offer enough space for more than five staff working together. Under the high pressure of budget and cost, the top management agreed to upgrade the owner's office based on a sufficient demonstration with the spirit of the optimum scheme, the fastest speed and principle of cost control. Thanks to the best progress control, the update project only cost two months. And the daily working of the owners didn't been affected definitely during the period based on the proper arrangement.

Based on the overall plan, all the pattern of original owner offices and the storage rooms were re-layout. After the upgrade, the office number from original 24 increases to 26, including three big offices which could accommodate at least 10 staff working together. For the original desk, computer, refrigerator, disinfection cabinet, sofa, wardrobe, wood floor and other facilities were maintained

and renewed separately. Furthermore, a new sanitary shower unit and individual toilet which re-lay-out completely and bring a warm and comfortable feeling for the owner. Whenever the owner back to office, wear the aborative prepared cotton slippers and enjoy a hot shower, the fatigue will disappear definitely. In order to enhance the owner's working efficiency, the service center installed a separate network interface and wifi for each office, which also help to make the convenient and timely internet connection between the owners and their family.

The service center girls set up a lot of dome lights in the corridor outside of the offices, creating a warm atmosphere. At the entrance to the corridor, a electronic access is installed and which stopped the unknown guys loitering inside effectively. This measure ensured a private space and security for the owners and their personal effects and files.

In the center area of the corridor, the girls set a tea bar within comfortable sofas and kinds of candy which make a convenience for the owners and visitors.

Besides of the hardware facilities are upgraded, the cultural propaganda and spiritual communication also strengthened. From the top management to lower staffs all paid a high attention for this cultural construction. Based on several rounds of discussion, we made full usage of the corridor walls and space. Some photos of the major projects and communion moments with important clients were highlighted and hung on both sides of the corridor. With the good suggestion from one of the owners, the service center girls made a beautiful logo of each shipping company and pasted on their office door correspondingly. This good idea shows the aborative service for all the owners.

Now, the owner office corridor has become a veritable "cultural corridor".

Base on the innovation, maintain the good tradition. The service center made a huge capacity of all the owner's information, which including the owner's name, age, shoe size, suit size, personal preferences, etc. The ratio of returning customers increases to 85% in Cosco Zhoushan Shipyard. Some

of the superintendents have come to our yard many times. When they arrived at shipyard each time, the suitable size of boiler suit and shoes have been prepared for them in advance. Sometimes once meets the birthday of the superintendent when they in our yard, the girls will send a carefully prepared birthday cake, which let them felt the warmth deeply in foreign lands.

All the above let the owners feel the aborative service from Cosco Zhoushan Shipyard. Many of them prefers to make a special trip to the service center to say goodbye to the girls and appreciate for the perfect service during the past period. Anyone of the outstanding enterprise, their achievement could be attributed to the outstanding team. The outstanding team is built on each individual's contribution. As the first window to show our yard's mental attitude and service level to all the owners and clients, the commercial dept. service center through to what they have done showed us what is the real meaning of "service"!

Cosco group first cooperated with Syria shipping company

Syria, mentioned the country name, the first impression for us are only the war, refugees, desert and drought. It's so difficult to imagine that this country also relate to sea and shipping. Actually, Syria owns a 196km long coastline and belongs to the Mediterranean sea coastline countries. In the global shipping industry overall downturn situation, through the unremitting efforts of Cosco Shanghai commercial headquarter, we found the god-given cooperation opportunities in this strange land finally.

The DD repaired vessel named New Lotus with the age 16 years old. The main line project was

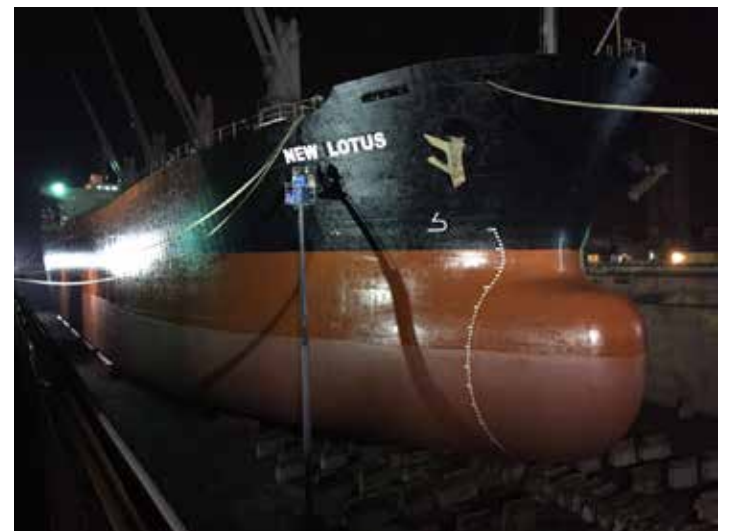


the five cargo holds sand blasting and painting, as well as a little amount of steel and mechanical jobs and the conventional drydocking items. The vessel arrived at our yard on May 16th and re-delivered on June 5th. Due to the limited project scopes and smooth communication between both sides, the vessel was re-delivered as planned successfully.

MV New Lotus belongs to the Overseas Bulker Enterprise SAL shipping company. In view of the domestic security situation, the company is running in neighboring country Lebanon's capital Beirut currently. The company is a traditional family enterprise and owns

four vessels. This is the first time cooperation between Cosco group and former company. Our yard paid high attention to this case and arranged experienced supervisors as the team members. At the same time, the production resource was guaranteed priority for this vessel. All above actions demonstrated our sincerity of expecting a long-term cooperation.

The marine manager Mr Mohammad A Ghandourah and technical manager Mr Fayez Nouni were responsible for the repairing supervision. They expressed their satisfaction about both of the process and result. They said that Cosco group will be preferred for them in the future, and they even offered to introduce other Syrian shipping companies to Cosco and were willing to act as a good bridge of



cooperation between China and Syrian.

The current shipping industry index is still so low, both owners and shipyards are facing a severe

survival test. Maintaining the core customers and searching for new small and medium-sized customers will be the main jobs for the shipyard's development in the future!

New live cattle export ship Greyman Express features 'greatest animal welfare standards' available

Australia's newest live cattle export vessel was loaded in Darwin last night with over 4,000 head, bound for Indonesia.

The Greyman Express is the latest livestock carrier to be built by Dutch company Vroom and leased by Frontier International Agri.

With 4,549 square metres of cattle pen space, the ship can carry up to 4,300 feeder cattle or 2,800 slaughter-ready stock.

Managing director Hamish Browning said the vessel boasts

animal welfare features of the highest quality.

"It's got a desalination plant onboard and produces more than enough water to make sure the cattle are well watered," he said.

"It's got one of the best ventilation systems in the world with the most air changes per minute, to make sure there's plenty of fresh, cool air coming in for the cattle."

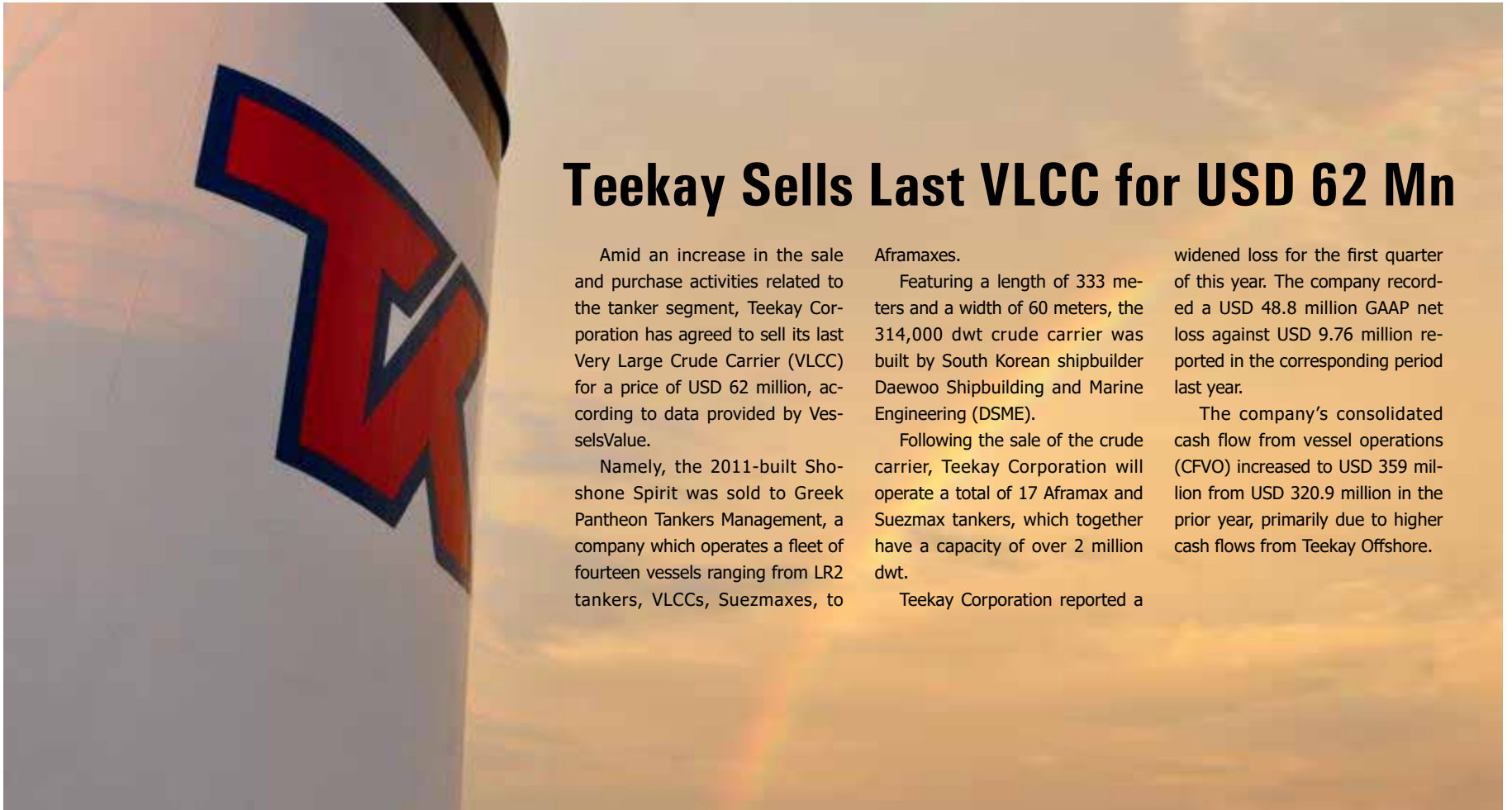
Mr Browning said the ship used wave cutting technology with its pronounced snub-nose bow.

"It's basically designed to give the ship more stability, less rocking, which improves fuel usage efficiency and also improves cattle comfort," he said.

"This vessel can do 18,000 nautical miles without taking fuel or water.

"Obviously we hope it never needs to do that but what it does do is allow us to pick and choose when we refuel, at what cost and what fuel quality."





Teekay Sells Last VLCC for USD 62 Mn

Amid an increase in the sale and purchase activities related to the tanker segment, Teekay Corporation has agreed to sell its last Very Large Crude Carrier (VLCC) for a price of USD 62 million, according to data provided by VesselsValue.

Namely, the 2011-built Shoshone Spirit was sold to Greek Pantheon Tankers Management, a company which operates a fleet of fourteen vessels ranging from LR2 tankers, VLCCs, Suezmaxes, to

Aframaxes.

Featuring a length of 333 meters and a width of 60 meters, the 314,000 dwt crude carrier was built by South Korean shipbuilder Daewoo Shipbuilding and Marine Engineering (DSME).

Following the sale of the crude carrier, Teekay Corporation will operate a total of 17 Aframax and Suezmax tankers, which together have a capacity of over 2 million dwt.

Teekay Corporation reported a

widened loss for the first quarter of this year. The company recorded a USD 48.8 million GAAP net loss against USD 9.76 million reported in the corresponding period last year.

The company's consolidated cash flow from vessel operations (CFVO) increased to USD 359 million from USD 320.9 million in the prior year, primarily due to higher cash flows from Teekay Offshore.

Loss of Hanjin and HMM Carries Multi-Billion Price Tag

South Korea's economy would be hit by damages in the amount of some USD 19.1 billion if the country loses two of its major shipping companies Hanjin Shipping and Hyundai Merchant Marine (HMM), The Korea Herald cited the projections from the Korea Shipowners' Association.

According to the association, if these shipping firms disappear, the situation would prompt other major shipping companies to pull out of South Korea's Busan Port, as they are currently present in the port in order to keep Hanjin and Hyundai monopolizing the market.

Additionally, the association said that this would lead to a loss of some 5,400 jobs, while smaller shipping companies would also suffer damages.

Earlier in June, South Korea said that it was considering to merge the two cash-strapped shipping firms if they succeed in

normalizing their management.

HMM's creditor group agreed on the company's debt restructuring proposal on condition that the shipping firm successfully concludes its negotiations with bond holders and shipowners.

HMM has already gained bond holders' approval for its debt re-

structuring proposal.

The normalization of the company's business would pave the way for the struggling firm to join the new global shipping alliance.

Hanjin is required to make its self-rescue efforts to secure liquidity as HMM did.

