

# CIMC TODAY

今日中集



## CIMC VEHICLES OFFICIALLY LISTED ON HKEX

CIMC to build Hong Kong's first permanent modular building

CIMC Enric acquires DME in a bid to enhance its presence on the North American craft beer equipment market

CIMC-TianDa completes the deal to acquire 60% stake in Shenyang Jietong

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# CIMC TODAY



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## Preface

The year 2019 marks the 37th anniversary of CIMC's formal production. In the first half, the Group managed to maintain steady business growth in the face of complicated global macro-economic environment and industrial trends. Over the past few months, CIMC has been sticking to the strategic guiding principle of "transformation & upgrading, quality growth", improving corporate health and core competitiveness through integration of resources, optimization of management and innovation of technologies, and responding to external challenges in an active manner.

In the first 6 months, CIMC continued with its transformation and upgrading efforts and made considerable and remarkable progress: CIMC attended the Intermodal Asia 2019, and showed its "manufacture + service + finance" integration competence; CIMC Vehicles prided itself with the formal production of the coating line of its market-leading and exemplary Jinshan Plant, and went deeper into global market for trailers with interchangeable truck body system; CIMC Enric acquired DME in a bid to enhance its presence on the North American craft beer equipment market; CIMC Raffles secured the order to build the world's highest-end ro-ro ships for Wallenius-SOL; CIMC-TianDa completed the deal to buy out Shanghai Jindun and further improved its domestic fire truck business layout; CIMC Taiziwan project started...

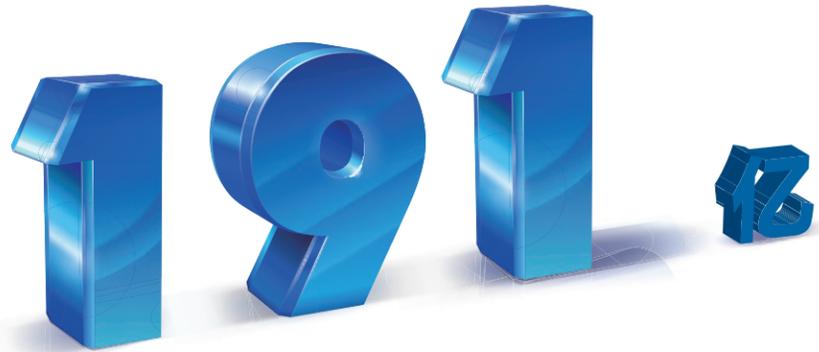
More inspirational, on May 20th, 2019, graced by Mrs. Carrie Lam Cheng Yuet-ngor, Chief Executive of Hong Kong Special Administrative Region Government, the Construction Commencement Ceremony for the InnoCell of Hong Kong Science and Technology Parks Corporation was held. The InnoCell Project is the first permanent modular building in Hong Kong and will be built by CIMC MBI. The groundbreaking ushers in the era of modular building in Hong Kong and represents CIMC's successful access to Hong Kong's construction market.

In the second half, CIMC will continue with its "transformation and upgrading, quality growth" efforts, fully unleash its creativity and vitality, and create new value for customers and partners in every industry it serves.

Editorial Office of CIMC Today

# CIMC gets off to a smooth start in 2019 with 19.1bn revenue in the first quarter

On the evening of April 29, CIMC reported its Q1 financial results: the revenue was about 19.1bn yuan, and the net profit attributable to shareholders of the parent company was 406m yuan, heralding a good and smooth start for the business operations in 2019. In particular, the vehicles, energy, chemical and liquid food equipment, airport facilities and logistics businesses all made steady progress, and the offshore and industry & city businesses both achieved significant increase.



A responsible person of CIMC attributed the impressive financial results to the overall stability of national economy in the first quarter, saying that the Group's main business benefited a great deal from the achievement in Chinese government's supply-side reform and the progress in Sino-US trade talks as it was closely related to the global macro-economic environment.

improvement of comprehensive ability enabled the segment to defend against cyclical fluctuation more robustly. In spite of economic and trade growth slowdown and container shipment reduction across the world, CIMC Container achieved revenue of 5.22bn yuan.

segment enjoyed marked increase in dry van vehicles and refrigerator trucks; on the European market, the segment began to deliver trailers with interchangeable truck body system in batch as the regional economy did pretty well.

In the first quarter, the Container Segment continuously improved its market research ability and actively promoted digital and intelligent production of containers. At Fenggang Town of Dongguan City, its next-generation plant was put into formal operation. With automatic and digital equipment and environmentally friendly technology that are distinctively from traditional plants, the new plant further consolidated CIMC Container's position as global market leader for best-in-class products. At the same time, the

The road transportation vehicles business (mainly operated by CIMC Vehicles) achieved considerable YOY increase in revenue and net profit thanks to the growth on domestic construction vehicles and North American logistics vehicles markets and by overcoming negative impact of CNY/USD exchange rate appreciation. Specifically, on domestic market, the increasing investments in fixed assets such as infrastructure and the rising demand for next-generation construction vehicles boosted the segment's sales of construction vehicles; on the U.S. market, the

CIMC Vehicles achieved positive progress in its spinoff operations. After the listing hearing at Hong Kong, it is now waiting for the final approval by the Stock Exchange of Hong Kong Ltd (SEHK). If the going public operation is successfully performed, CIMC Vehicles will be the fourth independent going public platform of the Group and seize the opportunity for laying solid foundations for future business growth, diversifying fund-raising channels, improving international management competence, and raising independent brand premium.



The energy, chemical and liquid food equipment business (mainly operated by CIMC Enric) delivered brilliant performance in the first three months, with the revenue increasing 9.38% YOY to 3.147bn yuan. As a natural gas storage and transportation equipment and engineering specialist, CIMC Enric attributed its business growth to: globally, the whole world is making greater efforts to pursue sustainable development, and this has increased the demand for natural gas; domestically, Chinese government is taking effective measures to promote the implementation of natural gas strategy, and this has ushered in the golden age of growth on natural gas market.

The Airport Facilities Segment continued to go forward on the right track and achieved revenue of 778m yuan, increasing 36.82% YOY. It did pretty well in boarding bridges, airport ground support equipment, firefighting and rescue equipment, automatic logistics and warehousing equipment and intelligent parking systems. In particular, the segment continued to improve product line-up and regional coverage in firefighting and rescue equipment business. Ziegler, a German high-end and well-established firefighting truck brand under the Group, improved the weak product line-up links such as chassis special for firefighting trucks, aerial trucks and aerial ladder

fire trucks and comprehensively enhanced the competitiveness of products through acquisitions, shareholding increase and business cooperation. At the same time, the segment continued to optimize and innovate overall firefighting trucks leasing solutions, provided complete series of high, medium and low-end firefighting equipment, and popularized the business model featuring the combination of equipment, service and finance throughout the country.

It is noteworthy that CIMC's offshore engineering business started to pick up in the midst of global oil and gas gloom, increasing its revenue by 128.6% YOY to 692m yuan. Different parts of the FPSO (floating production storage and offloading) equipment for Petrobras hit the water, and the joiner work started; Blue Whale One Blue, the world's biggest offshore drilling platform contributing to China's successful test mining of "flammable ice" for the first time, left to serve a lease oilfield at South China Sea; highly recognized by the world's major offshore engineering companies, CIMC Raffles won the 288m dollar contracts for building 1+1 Antarctic krill harvesting vessels and Y-TYPE semi-submersible transportation vessel, for the EPC of a self-elevating accommodation vessel, and for drilling service by GM4-D 2#.

Impacted by the drop in the sales of heavy-duty trucks, C&C Trucks reported a YOY decrease in its revenue to 298m yuan in the first quarter. In contrast, CIMC Logistics maintained steady growth in the slack season through diversified means and achieved revenue of 2,022bn yuan, increasing 3.35% YOY.

CIMC Industry & City Development Co., Ltd (CIMC I&C) achieve revenue of 306m yuan in the first three month, increasing 386.16% YOY. The company ranked No. 22 in the List of 2019 China Top 30 Industrial Property Operators. In addition, it entered into strategic cooperation agreements with Greatoo Intelligent Group, Swiss ACAL Industrial Investment Co., Ltd, HZZK Hi-tech Industrial Development Zone Administration Committee and Shenzhen Institutes of Advanced Technology of Chinese Academy of Sciences, aiming to explore opportunities on joint expansion, industrial finance and industrial resources and lay foundations for sustainable development of future business.

The financial company and the financing leasing company under the Finance Segment further improved the Group's comprehensive competitiveness by developing and innovating financial solutions to serve and coordinate with industries, and achieved revenue of 450m yuan.

## CIMC Shines at the Intermodal Asia 2019



On May 22, the Intermodal Asia 2019, an event bringing together the global container, transport and logistics industries' most influential decision-makers, opened at Shanghai World Expo Exhibition & Convention Center. Hosted by Informa Group, China Container Industry Association and Intermodal Transport Federation of China Communications and Transportation Association and sponsored by CIMC, the show focused on industrial strategies, container shipping and intermodal transportation trends, showcased new technologies and products in container, intermodal transportation equipment, port and shipping industries, and was attended by over 100 domestic and foreign enterprises.

At the opening ceremony, CIMC's Vice President Huang Tianhua noted that intermodal transportation is an important

approach to promoting the adjustment of transportation structure, speeding up the construction of modern comprehensive communications and transportation systems and promoting the cost reduction and benefit increase of the logistics industry. He hoped that the industrial elites from different countries would be able to take advantage of the show, carry out in-depth exchange and deepen business cooperation, so as to better every person on earth and turn the world into a better place.

To elaborate its exhibition theme "The Power Moving The World", CIMC's Container Segment, Vehicles Segment, C&C Trucks and other business units decorated its booth with the eco-friendly ideas and products of containers, exhibited the industry's leading intelligent products and technologies outdoor, and demonstrated CIMC's service

ability characterized by the combination of manufacture, service and finance. The exhibits were well received by clients and visitors both at home and abroad.

"At Intermodal Asia 2019, we showed the most cutting-edge technologies and products developed over the years. But this is not all about it. With the show, we improved brand awareness and manufacture strength, built stronger ties with existing and potential partners, and laid solid foundations for more extensive and deeper cooperation in the years to come", said a responsible officer of CIMC, adding that "stimulated by national policies and driven by huge demands on global market, intermodal transportation will bring us new vitality and opportunities and push forward our innovations and businesses."

## CIMC's mobile refrigerated storage warehouse container is popular with cold chain enterprises



The 2019 Report on the Work of the Government made clear that efforts should be made to encourage the cuts in the cost of logistics and boost infrastructure investment for logistics. As an important of the logistics infrastructure, cold chain logistics and warehousing has received considerable attention from all sectors of the society.

In 2015, Taicang Refrigerated Containers and other CIMC companies pooled together scientific and technological research strength and successfully developed China's first mobile refrigerated storage warehouse container that could be widely used for cold chain logistics and warehousing; in 2016, the product was formally launched on domestic markets. With unique advantage and fast customer response mechanism, the product is the best match for urban refrigerated storage warehouses and refrigerated storage warehouses closest to consumers. Therefore, it was immediately popular with meituan, ele and other customers after the launching.

Now the product has the largest market share in China.

According to a technician of Taicang Refrigerated Containers, the mobile refrigerated storage warehouse container is designed and manufactured in accordance with standard refrigerated container specifications, and it is a simple refrigerated storage warehouse that is easily assembled with multiple containers and easily disassembled. Specifically, the products, also known as unit modules, are manufactured in batch and transported to application sites by road, rail and other means, and then assembled to perform different functions and meet customers' needs including fast freezing, quick pre-freezing, cooling and refrigeration. It is noteworthy that users can increase, decrease or adjust the type and quantity of unit modules to adjust the function and size of the refrigerated container. When the user has to relocate the refrigerated storage warehouse, he can easily and quickly

disassemble the product, and directly transport it to the destination for re-assembly without compromising the function or quality.

The technician also noted that the steel plates and heat insulating materials used for the mobile refrigerated storage warehouse container are green and eco-friendly materials that are greatly promoted by the central government. Without the pressure to meet national environmental protection standard or to pass required environmental impact assessment, this makes the product even more popular with fresh product e-commerce platforms.

According to the technician, the mobile refrigerated storage warehouse container can be used for the construction, upgrading and reconstruction of urban refrigerated storage warehouse and for the refrigeration and transportation of vegetable, fruits and fresh food, and it will play a bigger role in fields like township-level markets and railway cold chain.

## CIMC Vehicles officially listed on HKE



On July 11, CIMC, the enterprise with listed A+H shares, announces that the Stock Exchange of Hong Kong (hereinafter referred to as "HKEX") has approved CIMC's holding subsidiary – CIMC Vehicles (Group) Co., Ltd. to list and trade its H shares on the main board of the HKEX. It means that CIMC Vehicles is officially listed on the HKEX as the first semitrailer company in the Hong Kong stock market, and that CIMC Vehicles officially becomes the fourth independent listed platform established by CIMC, following CIMC (A+H shares), CIMC ENRIC (H share), and CIMC-Tianda (H share).

As announced by CIMC, at 9:00 am today, the H shares (stock code: 1839) of CIMC Vehicles opens for trading on the HKEX at the final offer price of 6.38 HKD/share and at 500 shares/lot. It is also noted in CIMC's announcement that, after global offering, CIMC will directly or indirectly own 53.82% of the total capital stock issued by CIMC Vehicles through itself and its wholly-owned subsidiaries.

The head of CIMC's Office of the Secretary to the Chairman notes that, the successful listing of CIMC Vehicles is good for both CIMC and CIMC Vehicles. The listing of CIMC Vehicles is good for the future development of CIMC's vehicle business, the expansion of its financing space, the improvement of its international standardized management and the increases of its independent brand premium. The financial statements of CIMC Vehicles will still be consolidated into that of CIMC after CIMC Vehicles listing, the development of CIMC Vehicles will add value to CIMC, and bring better revenues for shareholders including CIMC.

## CIMC Vehicles advances global commuting case market



On April 19, Zhenjiang CIMC Smart Specialty Vehicle Co., Ltd., a subsidiary of CIMC, held the KTL's first product launching ceremony. One of the major industrial projects of Zhenjiang in 2018, the post-market pilot project of CIMC Vehicles, the "Jinshan Factory" painting line was put into production, which marks the realization of being "made in China" in Zhenjiang of the commuting case favored by European customers.

Originated in Germany, commuting case is the most widely used intermodal equipment in Europe for road transport and rail transport. In recent years, the demand for this product has been growing rapidly in Europe. Having grabbed the opportunity and got involved in this field in time, CIMC set up a factory in Poland in Europe, and

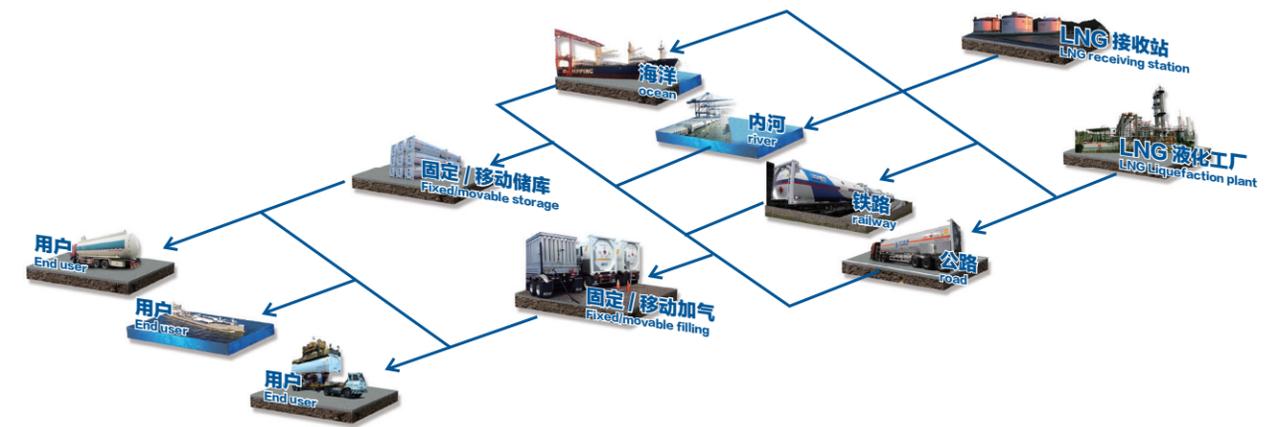
is cooperating with Chinese factories to produce commuting case products. In China, with its advantages in cross-border design, overseas manufacturing and global supply chain, CIMC Vehicles has transported different equipment and accessories of commuting case products to the Poland factory in the form of CKD for assembly.

In March 2018, CIMC Smart Specialty Vehicle's industrial park project has officially settled in Zhenjiang High-Tech Industry Development Zone. Having starting construction in December 2018, the project has an annual design capacity of 8,000 units, and has adopted fully automatic energy-saving and environmental protection technology. With "China's leading and world-class" painting line, it focuses on the production

of commuting case products. The KTL put into use yesterday adopts cathodic electrophoretic coating and powder spraying technology, which not only saves energy and protect the environment, but also further enhances product quality and prolongs product service life.

As is reported, the technology of commuting case production of "Jinshan Factory" not only surpasses the European and American standards, but also is the first of its kind in China with 100% patent rights. The operation of KTL of Zhenjiang CIMC Smart Specialty Vehicle marks a new level of enterprise development. And after the project is fully put into production, the company is expected to become the third largest manufacturer in the global commuting case market.

## CIMC's LNG equipment solutions popular at LNG 2019 Shanghai



On April 2-4, the 19th International Conference and Exhibition on Liquefied Natural Gas (LNG 2019) took place in Shanghai. Dubbed "the Olympics of the LNG industry", LNG 2019 invited Exxon Mobil, Royal Dutch Shell, China National Petroleum, Sinopec, major gas companies in China and CIMC Enric to display their products and services at the fair.

LNG equipment, a focus of the global LNG industry, is an important part of the show. As a well-known LNG integrated business supplier and key equipment manufacturer, CIMC Enric exhibited cryogenic tank containers, core products of oil and gas modules and LNG vessels, medium and small-size LNG solutions and LNG terminal expansion solutions.

"Our products and solutions exhibited at the show are all in the leading position and enjoy positive word of mouth in the industry, so a lot of potential buyers from different parts

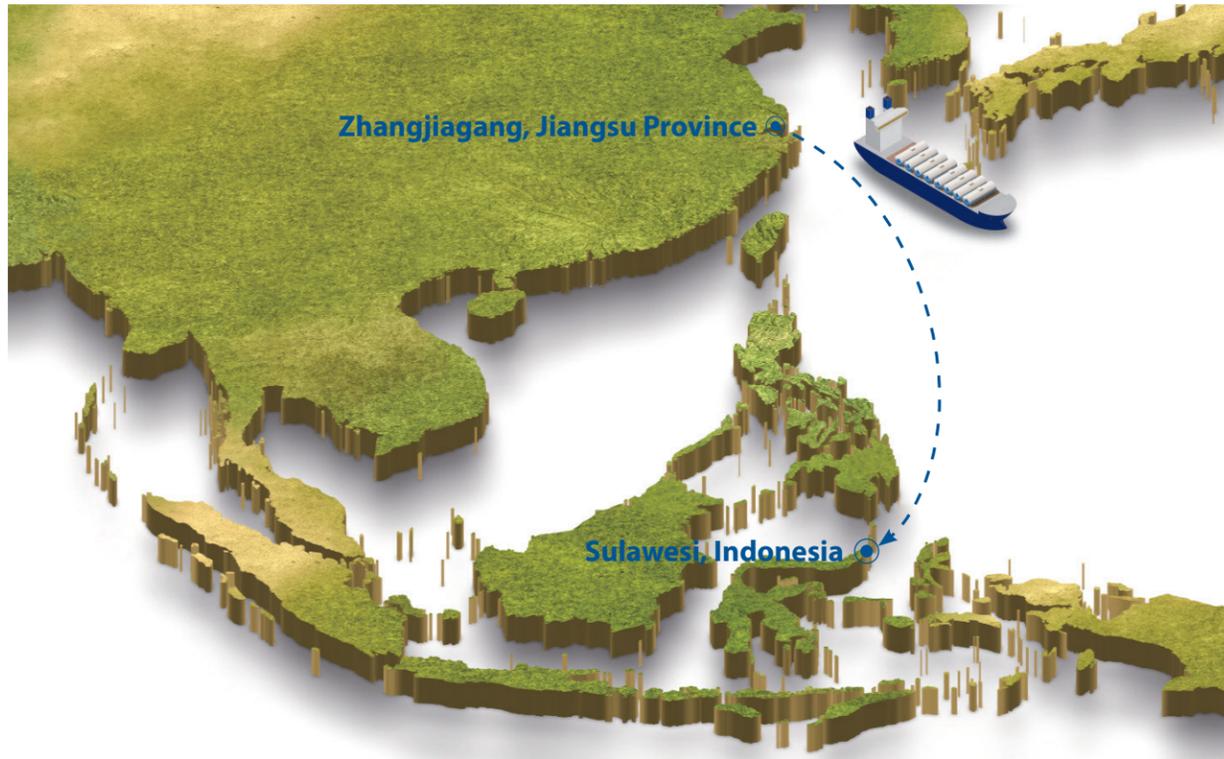
of the world approached to us each day for specific information and more details. At the same time, some of our customers at the upstream of the industrial chain, such as Royal Dutch Shell, also attended the exhibition. This will help potential buyers know more about us, because they can check our customer-specific proven track records with other exhibitors, and they will know that when we say it, we mean it", noted a responsible person of CIMC Enric, saying "the participants liked our entire LNG equipment solutions very much."

Mr. Zhang Jianhua, Chief Officer of National Energy Administration, pointed out at the conference that China has been positively promoting the development of LNG industry. Generally speaking, the LNG industry is vigorous and embraces huge development potential. According to the market report by the International Energy Agency, the world's LNG trade volume is expected to exceed 500 billion m<sup>3</sup> by 2023.

To meet the rising demands for natural gas, the central government has successively released a number of policies, such as the National Natural Gas Development Plan in the 13th Five Year Plan Period, the Opinions on 2018 Energy Work Guidance, the Opinion on Accelerating the Construction of Gas Storage Facilities and Improving the Market Mechanism on the Supportive Services of Gas Storage and Peak Load Adjustment and the Opinions of State Council on Promoting the Coordinated and Steady Development of Natural Gas Industry, and accelerated the coordinated implementation of natural gas strategy.

"We have taken advantage of the high-speed development of natural gas industries at home and abroad to grow our business, and will continue to contribute to the coordinated implementation of national natural gas strategy with industrial leading LNG equipment solutions", added the person.

## CIMC's LNG tank containers to serve for Indonesia's first large-scale island-island gas transportation



Recently, a feeder container ship loaded with 96 LNG tank containers sailed from the new port of Zhangjiagang, Jiangsu Province, China to a nickel-iron alloy smelting industrial park at Kota Kendari, Sulawesi, Indonesia. The equipment will be used for the island-island transportation of gas during the operation of the industrial park, the first large-scale island-island gas transportation in the country. It is of significant reference meaning for the innovation of Indonesia's natural gas transportation model.

It is noteworthy that the 96 LNG tank containers were jointly developed and manufactured by Nantong CIMC Energy Equipment Manufacturing Co., Ltd (Nantong CIMC) and Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd (CIMC Sanctum), two energy equipment specialists under CIMC Enric. In addition, CIMC Sanctum will provide the customer with all solutions to the design and manufacture of the gas supply system of the 9000Nm<sup>3</sup>/h gas station and ensure its smooth operation.

The nickel-iron alloy smelting industrial park is invested and built by Chinese companies. It is the second largest overseas investment program of Jiangsu Province and one of typical program successfully implemented within the framework of the "One Belt, One Road" Initiative.

"Most islands, including the one where the industrial park will be built, are suffering from the shortage of necessary infrastructure, and this will severely restrict the development of the park. In this case, the customer has to transport energy to the park from other places and decides to solve the problem by purchasing LNG transportation equipment in bulk and building its own gas station", said a responsible person of CIMC Enric, noting that "after multiple exchange and on-site visits, the customer chose to work with us".

According to the responsible person, the LNG tank containers developed and manufactured by CIMC Enric feature large volume, lightweight, nice heat preservation

and higher safety. In the meantime, CIMC Enric specially installs intelligent monitoring devices in each tank container, so as to ensure the real-time monitoring of liquid level, temperature and location of the tank container during stacking, loading and unloading and transporting. By doing so, the safety through the entire transportation process will be tremendously improved. "With large application scope and exceptional adaptation performance, our LNG tank container has become a means vital for national well-being, the people's livelihood and the country's energy security."

"Our LNG tank container transportation solutions are competitive and popular abroad", added the responsible person.

## CIMC Enric provides EPC service for China's largest refining and petrochemical complex



Recently, Zhejiang Petroleum & Chemical Co. Ltd. (ZPC) has entered the final stage in the Phase 1 of its 40 million tpy (tone per year) integrated refining and petrochemical complex (ZPC Complex). It is noteworthy that Jingmen Hongtu Special Aircraft Co., Ltd (CIMC Hongtu), a member company of CIMC Enric, has played an active part in the project construction and provided raw material procurement, manufacturing and installation of 32 spherical tanks.

"The refining and petrochemical integration is to combine different links of the industrial chain, such as the refining procedure at upstream and the production and sales procedures at downstream, and its core is to achieve the integration and optimization of processes and overall layout of plants. As a greenfield petrochemical project at the national level, ZPC Complex is crucial for improving the competitive edge of domestic petrochemical industry across the world and promoting the structures. Therefore, the

client was very conscientious and careful in the selection of qualified suppliers. In particular, it imposed stricter requirements for the supplier of spherical tanks, one of core equipment of the Phase 1 development", said a responsible person of CIMC Hongtu.

"We are a major player in global spherical tank market. With superior comprehensive strength and proven track records of success in EPC (engineering, procurement and construction) projects, we are capable of providing one-stop and integral solutions for customers. This is a unique and strong selling point, and it does mean a great deal for customers", said the responsible person.

Normally, it takes two years to complete the raw material procurement, manufacturing and installation of 32 spherical tanks. However, the property owner requires that all jobs should be completed within 8 months. At the same time, the spherical tanks will be installed at an isolated island

that has inadequate transportation, incomplete facilities and terrible weather – 128 days with winds at or above force 5 in a year and easily affected by typhoons in summer. The negative factors made the construction within such a short period of time almost a mission that would never be accomplished. CIMC Hongtu immediately responded to such challenges after it won the bid and entered an agreement with the property owner. The construction team made site mobilization in advance, took close investigations into infrastructure, water and electricity supply and other conditions of the whole construction site, communicated sufficiently with the property owner and the supervision party, and developed detailed plans for construction schedule, quality control, logistics guarantee, etc.

"our professional performance is highly recognized and rewarded by the property owner", said the responsible person.

## CIMC Enric acquires DME in a bid to enhance its presence on the North American craft beer equipment market



CIMC Enric Holdings Ltd., a listed energy, chemical and food equipment company of China International Marine Containers (Group) Ltd. (CIMC) announced recently that it had purchased the good assets of craft beer business from Diversified Metal Engineering Group (DME), a Canadian brewing machine maker, in an attempt to access to the North American craft beer market and improve its global beer brewing business layout.

The acquisition was made by CIMC ENRIC Tankand Process B.V. (CETP), a company incorporated in Europe and a wholly-owned subsidiary of CIMC Enric. The acquired assets included brands, craft beer designs, manufacturing and installation techniques and equipment of DME and its sibling business NSI. With the acquisition, DME has become the fourth well-established brand that CIMC Enric has purchased in global food and beverage machinery industry after buying Holvrieka, a Dutch stainless-steel food storage tanks maker; Zimann, a German brewery equipment maker; and Briggs,

a time-honored British beer equipment company.

Established in 1991 and headquartered in Charlottetown, DME earns about 80 percent of its revenue from the craft beer business. As the craft beer equipment engineering design and manufacturing leader in North America, it has cumulatively offered designing and equipment manufacturing business to over 1,600 breweries in 70 countries and achieved sales revenue of roughly 4 billion yuan in total since its inception. In particular, the company averagely has 65 projects in hand each year.

"DME has over 80 percent of share on the North American craft beer equipment market. It is hardly too much to say that DME is a household name in the industry in North America. Though CIMC Enric has basically completed its business layout on global beer equipment market through a series of acquisitions and operations, we still take up a relatively small share in the North American

market. The acquisition of DME will give us a big push into the regional market", said a responsible person of CIMC Enric.

The person also noted that after the acquisition, the two sides will jointly establish a new DME which will retain a large part of core staff (including the experienced management team) of the old DME, so that the plant in Charlottetown will be able to quickly restore its operation. At the same time, CETP is one of major suppliers of large beer brewery equipment in the world and has established strong business ties with the world's most prestigious beer breweries. With its rich experience in the EPC of international large brewery equipment projects and global layout and business operations, the new DME will tremendously improve its performances in global procurement, sales channel extension and lean production and gradually build up its brand awareness and sell and distribute its products across the world.

## CIMC delivers China's first deepsea intelligent bottom-supported net cage

On April 25, CIMC Raffles delivered the intelligent net cage Long Whale One to Changdao Hongxiang Seafood Co., Ltd (Changdao Hongxiang) at its Yantai Shipyard.

Long Whale One is the first major product that CIMC Raffles has ever built in the deep sea marine farming equipment. The net cage, with quadrangle bottom-supported steel structure, 66m \* 66m size, maximum designed draft of 30.5m, aquaculture area of 60,000 m<sup>3</sup> and designed service life of 10 years, is capable of breeding 1,000t fish each year, and it is China's first net cage that has passed the inspections of American Bureau of Shipping and the Register of Fishing Vessel of China.

As the most intelligent net cage in China, Long Whale One integrates a number of automatic features, such as automatic cage netting hoisting and washing equipment, automatic feeding, underwater monitoring

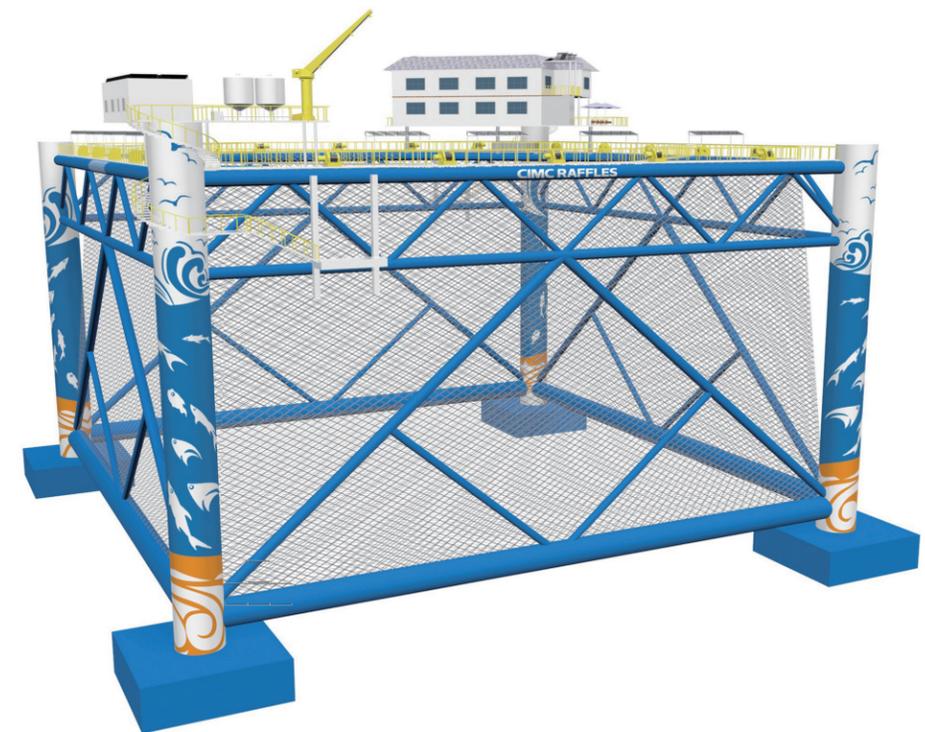
and automatic hunting of grown fish, and all operations can be performed by 4 workers, which will maximally ensure the safety and economy of the product. In particular, the water dynamic automatic feeding system is independently developed by CIMC Blue Marine Science & Technology Co., Ltd (CIMC Blue). With 100% independent intellectual property right, the system can realize high efficient and automatic control at fixed time and with fixed quantity, set and store feeding data, and perform data analysis to get the best feeding model.

Data-specific features are also used in Long Whale One. The net cage is equipped with big data monitoring equipment. With sensors and underwater cameras, it can timely transmit water quality data, hydrological data and other monitoring data as well as fish videos to the control center of the net cage, and synchronize the information with background informatized data center of

CIMC Blue, so as to realize the eco-friendly, automatic, informatized and intelligent marine farming.

Besides the intelligent farming, the net cage also embraces leisure and tourism functions. The upper part is built with villa designs, the surrounding walking platform is designed with greater width, and the living zone is decorated with luxurious classic Chinese style, and it can accommodate 30 anglers and tourists and provide them with comfortable leisure experience.

Long Whale One and aqua farm platforms delivered earlier will create the development model integrating eco-friendly protection, intelligent breeding and marine leisure tourism, contribute to the construction of modern aqua farms and marine breadbaskets and set an example for later aqua farm construction.



## CIMC Raffles to build the world's highest-end ro-ro ships for Wallenius-SOL

Recently, CIMC Raffles and Sweden shipping company Wallenius SOL AB entered into an EPC contract for building 4 super ro-ro ships with dual-fuel engines at Stockholm.

With the concept design provided by well-known Danish designing firm Knud E. Hansen, the ship series will be built by CIMC Raffles, meet the certification requirements of Lloyd's Register of Shipping and fly Sweden flag. The parameters are: ship length, 241.7m; overall length, 35.2m; lane length, 5,800m; cruising speed, 20 knots (about 37km/h). It is also equipped with two C-type LNG tanks to meet the requirements for cleanness and environmental protection. The ship series will meet the highest Finnish-Swedish ice class, 1A Super and work at European sea areas after the delivery. In particular, it will work normally in adverse sea areas with the thickness of ice exceeding 1m. The ships will

be the world's largest newly built 1A Super ro-ro ships with dual-fuel engines in the world.

Wallenius SOL is a joint venture by the world's shipping giant Wallenius and Sweden's SOL. Wallenius is a member company of Soya Group, one of the largest family businesses in Sweden, and it specializes in vehicle transportation and ro-ro ship transportation and operates businesses in 19 countries and regions.

CIMC Raffles is world-famous EPC contractor of offshore engineering equipment. On the basis of exceptional offshore engineering capability, it entered into the contract with Bohai Ferry Group last year to build 2 largest multipurpose ro-ro ships in Asia, formally accessing to ro-ro passenger-freight ship market.

Mr. Li Minggao, Vice President of CIMC Raffles, made fair commented on the new contract, noting that "there is bright development outlook on the market. The cooperation with Wallenius is another significant breakthrough that we have made after we secured the order for ro-ro ships from Bohai Ferry Group. The Wallenius ro-ro ship series with dual-fuel engines will adopt the state-of-the-art shapes and latest designs and impose higher requirements on cleanness and environment protection, and they are the high-end types on the market. We really appreciate Wallenius' trust. Prior to the formal signing of the agreement, we fully communicated for 6 months and held a number of technological discussions. It is convinced that the project will be a great success with the full cooperation between the two parties."



## OOS Tiradentes of CIMC Raffles wins lease renewal for 5 years with Petrobras

Recently, CIMC Raffles has been awarded a 5-year contract for the high-end flotel OOS Tiradentes (previously called the CR-600) by Petrobras. The new contract will come into effective immediate after current contract ends.

On February 7, CIMC Raffles delivered high-end semi-submersible accommodation platform OOS Tiradentes (previously called the CR-600) at its The platform will sail to Brazil soon.

OOS Tiradentes, named after a national Brazilian hero who fought for independence, is capable of providing customers with safe

and comfortable working environment while ensuring lower fuel consumption, greenness and environmental friendliness. The flotel has been working successfully in Brazil for Petrobras after it was delivered at Yantai Shipyard last February. Ocean Challenger Pte. Ltd has the management right of the flotel, and it authorizes the Netherland-based OOS International to run daily operations.

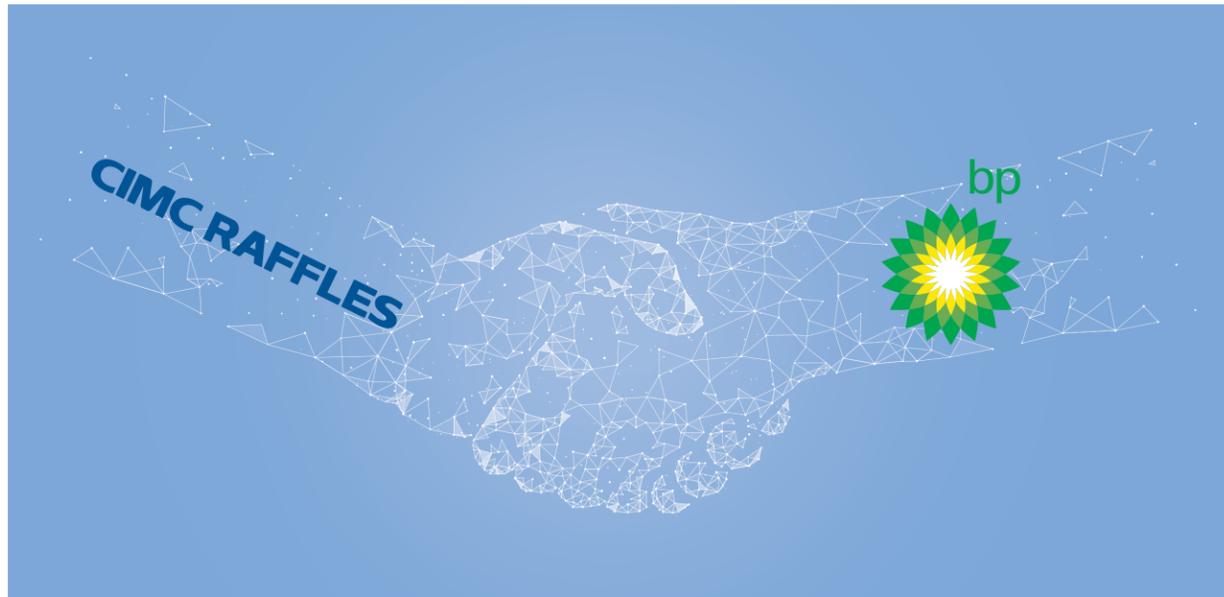
"The customer really appreciates the excellent performance of the flotel. It not only renews the leasing agreement, but also approves our upgrading and reconstruction during the current contract period. The upgraded flotel will be able to meet the requirements

for higher technology and greater working difficulty in the new leasing agreement", said Mr. Yu Jianhui, General Manager of Ocean Challenger.

CIMC Raffles finished the concept design, basic design and detailed design of OOS Tiradentes by itself, and has 100% intellectual property rights on all designs. Moreover, it has achieved three major breakthroughs: closed-loop design of the dynamic positioning system, automatic following of target platform, and the compliance with green environmental protection standard.



## CIMC Raffles and BP enter into an EPC contract



Recently, CIMC Raffles and p.l.c., one of the largest oil and gas companies in the world and has businesses in over 70 countries, entered into the EPC contract of a self-elevating accommodation vessel at Yantai. The vessel will serve the Phase I Project of BP's Tortue/Ahmeyim Oilfield. Last October, the two companies signed the FEED (front end engineering design) contract at London, agreeing that an EPC contract could be entered at the later executing stage of the FEED contract. In this context, the EPC contract has been signed after the two parties successfully performed all duties and responsibilities specified in the FEED contract.

According to the new contract, CIMC will design and build a self-elevating accommodation vessel for BP. The vessel will serve the Tortue/Ahmeyim Oilfield Development Project – a LNG (liquefied natural gas) project on the sea of Mauritania and Senegal. Its living zone will meet the HAB++ (OS) – the highest designing standard of American Bureau of Shipping.

CIMC Raffles is a world leading EPC contractor of offshore engineering equipment. Its Sweden R&D center Bassoe Technology and Yantai R&D center have jointly assumed the designing tasks in the FEED phase. At the same time, the world leading engineering,

construction and consultation service supplier KBR has provided the FEED and project supporting service for the Phase I Project of BP's Tortue/Ahmeyim Oilfield. "BP QU is the flotel for all staff working at the Oilfield, and it must be offer exceptional safety, quality and comfort. I believe that with the close cooperation among BP, KBR and CIMC Raffles, the project will be a great success", said Mr. Wang Jianzhong, CEO and President of CIMC Raffles.

## CIMC Raffles' Newbuild Drilling Rig Deepsea Yantai sets sail for Norwegian North Sea

On June 12, CIMC Raffles held the Deepsea Yantai Semi-submersible Drilling Rig Naming Ceremony at Yantai Shipyard. Designed for harsh seawater conditions in the polar region, the newbuild was the first rig named after "Yantai" in the world. After the ceremony, it set sail for Norway where it will be used by Neptune under a contract signed in March.

Deepsea Yantai is the sixth-generation semi-submersible drilling rig series that CIMC Raffles elaborately designed and developed after COSL series and Blue Whale series.

The rig series is built in GM4-D architecture, the basic design is jointly completed by CIMC Raffles and Global Maritime, 80% intellectual property rights of the rig are exclusively owned by CIMC Raffles, and all specific designs and engineering designs are solely provided by the Company. In particular, the 11 significant technological

breakthroughs and 114 improvements have raised the operating capability of the rig by 19 percent.

With length of 106.75m, width of 73.7m, maximum draft of 21m, operating depth of 500m and maximum drilling depth of 8,000m, the rig is specially designed for Norwegian continental shelf and Barents Sea; with the NOV drilling package, DP3 dynamic positioning system and 8-point anchor mooring positioning system, the rig works normally under a designed service temperature of -20°C and meets relevant ice class requirements; with ice-resistant features such as electrical heat tracing system or windproof wall used for external type-I safety equipment and with windproof wall installed at larger part of the drilling area, the rig operates normally under extremely cold situations. Deepsea Yantai has met the Norsok standards, the most stringent one in the world and the certification requirements of DNV-GL.

"We are confident that with the designing excellence and building competence of CIMC Raffles, and professional ship maneuvering performance of Neptune and Odfjell, Deepsea Yantai will be another star rig at Norwegian North Sea area, make exceptional achievements and demonstrate the strength of 'Made in Yantai'. We also believe it will be the bridge to facilitate economic and trade exchange between Yantai and Norway and to build friendship between the two sides", said Li Minggao, Vice President of CIMC Raffles.

So far, CIMC Raffles have built 12 semi-submersible drilling rigs in total. Among them, 10 rigs have met the certification requirements of DNV-GL, and 3 rigs are working at Norwegian North Sea area and have been rated as "Best Rigs of the Year" and "Best Rigs of the Month" for 8 times. The success has fully shown Yantai's offshore equipment manufacturing strength and laid foundations for Yantai to further develop its offshore businesses.



## Blue Whale One works for CNOOC at South China Sea



Recently, Blue Whale One, a drilling rig as the pillar of the national, has arrived at the working area of South China Sea to provide drilling service for China National Offshore Oil Corporation (Zhanjiang).

China National Offshore Oil Corporation (CNOOC) is the largest offshore oil and gas producer in China and assumes the responsibility to safeguard the national energy security. It sets South China Sea as a major area for the exploration and mining of offshore oil and gas and has developed deep sea development strategy. CNOOC and CIMC will make joint efforts to exploit oil and gas resources at South China Sea and provide strong protection for the national energy security.

South China Seas boasts abundant oil and gas resources, but it is one of the most complicated and special marine environments in the world. The frequently occurring typhoon sets imposes higher requirements for the stability of oil and gas mining equipment. Previously, Blue Whale One, worked for China's first test mining of flammable ice at Shenhu Area of South China Sea. During the mining, it was struck by the sudden and unexpected typhoon Merbok, but it continued to work normally. In the end, it made the records of the longest unstopped extraction of gas and the largest output of extracted gas.

Blue Whale One was designed and built by CIMC Raffles. With length of 117m, width of

92.7m, height of 118m, maximum operating depth of 3,658m and maximum drilling depth of 15,250m, it is capable of performing deepsea operations across the world; with the world leading DP3 close bus-tie power management system, it can withstand the attack of typhoon and ocean current.

Blue Whale One is a semi-submersible drilling platform with the greatest operating depth and drilling depth in the world, and it represents the world's highest ocean drilling rig design and construction levels. After its contribution to China's successful test mining of "flammable ice" for the first time, Blue Whale One continues its journey to exploit resources at South China Sea.

## CIMC-TianDa completes the deal to buy out Shanghai Jindun



On the afternoon of May 5, CIMC-TianDa Holdings Company Limited and Shanghai Jindun Special-purpose Vehicles Equipment Co., Ltd (Shanghai Jindun) jointly held the equity interest transfer completion ceremony, representing that Shanghai Jindun became a formal member of CIMC-TianDa.

According to Mr. Li Zhufeng, General Manager Assistant of CIMC-TianDa, the company aimed to become the world champion in the firefighting equipment industry after it started the firefighting trucks business. With the clearly defined strategy and target, it accelerated the deployment on domestic firefighting trucks market.

Located at Shuyuan Town of Pudong New Area, Shanghai Jindun has the full certificates

for firefighting trucks production, and it can continuously develop high-end special-purpose firefighting trucks according to market trends and customers' demands, with its products taking leading positions on domestic market. In addition, Shanghai Jindun is a hi-tech enterprises rated by Shanghai Municipal Government, and it has large business network and enjoys high reputation in southeastern coastal areas including Shanghai, Jiangsu, Guangdong and Zhejiang.

According to Li, from the perspective of the overall strategic deployment, the completion of the deal will be a solid step forward for CIMC-TianDa on its way to the world championship. Later, Shanghai Jindun will be merged into the operation and managed by

CIMC-TianDa, carry out centralized service, R&D and purchase, enhance the coordination with other firefighting companies in the fields of sales and production, and improve its overall competitiveness and profit-making ability.

In addition, the China-based firefighting equipment manufacturing enterprises will interact and coordinate with Ziegler, gradually access to international market, improve CIMC-TianDa's firefighting equipment business performance, and lay solid foundations for the Group to rank first in the global firefighting equipment industry. During this process, Shanghai Jindun will be playing a leading role", said Li.

## CIMC-TianDa helps with Sichuan Fire Corps' equipment innovation

Recently, Sichuan Chuanxiao Fire Trucks Manufacturing Co., Ltd (Chuanxiao), a member company of CIMC-TianDa, entered into strategic cooperation agreement on equipment and technology innovations and logistics guarantee in actual combats with Sichuan Fire Corps.

According to the agreement, the two parties will integrate their advantageous resources, carry out cutting-edge equipment and technology innovations, solve equipment technology guarantee difficulties, maximally improve the firefighting and emergency equipment and technology guarantee performance, and take the firefighting and rescue equipment and actual combat ability of Sichuan Province to a new level. The cooperation is China's first-ever integrated and comprehensive cooperation between firefighting and rescue troops and enterprises on talent projects, technological innovations and guarantee services.

"Sichuan Fire Corps proposes that currently, there is information asymmetry between

firefighting vehicle manufacturers and frontline firefighting teams. Therefore, the teams at grassroots level cannot access to information quickly if they have some technological guarantee problems demanding immediate solutions and professional support", said Mr. Wang Defeng, Chairman of Chuanxiao. "In this case, we will make best use of IT technologies, provide long-distance vehicle-troubleshooting services for grassroots firefighting teams, exchange and share information in real time, solve technological problems encountered by grassroots firefighting teams in actual combats, and eliminate barriers and blind zones, so as to realize coordinated working between firefighting and rescue teams and experts and talents, establish communication mechanism featuring fast response, smooth communication and deep integration, and promote the 'intelligent firefighting' in Sichuan Province."

At the same time, to continuously improve the professional performance of firefighting and rescue staff, Sichuan Fire Corps

appointed Chuanxiao as its firefighting vehicle operation training base and awarded the plaque to the company. A responsible person of Sichuan Fire Corps noted that the Corps would give full play to the comprehensive strength, training equipment and technology advantages and resources of Chuanxiao, establish a talent incubation park, and cultivate equipment talents group by group in large scale for firefighting and rescue teams of the whole province by launching the project to cultivate 10 equipment masters, 100 equipment professionals and 1,000 equipment technicians, so as to achieve the technological guarantee objective to carry out easy repairs in the team, minor repairs in the city and major repairs in the province.

According to Wang, Chuanxiao will provide emergency equipment and technological guarantee service in actual combats. During different firefighting drills, it will participate in tests, inspections and offer high-quality and professional technological service.



## CIMC-TianDa completes the deal to acquire 60% stake in Shenyang Jietong

On June 29, CIMC-TianDa Holdings Company Limited and Shenyang Jietong Fire Truck Co. jointly held the equity interest transfer completion ceremony, representing that Shenyang Jietong became a formal member of CIMC-TianDa. With the deal, CIMC has basically extended its fire truck business nationwide and made a solid step forward on the path to the world fire truck crown.

Founded in 1974, Shenyang Jietong is an aerial fire truck the longest-established producer of elevating platform fire trucks, aerial ladder fire trucks and skylift fire trucks appointed by the Ministry of Public Security. Located at Shenyang Daoyi Economic Development Zone and covering a site area of 200,000 square meters and gross production building area of 100,000 square meters, Shenyang Jietong is an important aerial fire truck manufacturer in China. In particular, the company large business

network and abundant business resources in the north of China with the northeast three provinces as the core, enjoys great reputation on domestic market, and boasts exceptional profit-making performance. On July 31, 2018, CIMC-TianDa entered a deal to acquire a 60% stake in Shenyang Jietong for 600 million yuan.

According to Zhu Wenyuan, Deputy General Manager of CIMC-TianDa and General Manager of Shenyang Jietong, the businesses

of Shenyang Jietong and CIMC-TianDa are complementary. Strategically, after the deal is completed, Shenyang Jietong, Shanghai Jindun (bought out in May) and CFE's production facility in Sichuan Province will jointly complete the complementary business layout in the southwest, southeast and northeast of China, and enable CIMC-TianDa to extend its fire truck business nationwide.

In addition, Shenyang Jietong has great profit-making ability and nice financial

performance, and this will positively contribute to CIMC-TianDa's business growth. According to CIMC's prior announcement, Shenyang Jietong made outstanding business performance: it respectively achieved business revenues of 617 million yuan and 654 million yuan in 2016 and 2017, with after-tax profits of 55.172 million yuan and 65.426 million yuan.

Zhu noted that the completion of the deal is of strategic importance for CIMC-TianDa to

grow into the world fire truck champion. After joining hands with CIMC-TianDa, Shenyang Jietong will continue to maintain its leading position on the market and improve CIMC-TianDa's profit-making ability with the highly added value of its major products. In the meantime, CIMC-TianDa will help Shenyang Jietong establish business ties with the world famous aerial firefighting equipment manufacturing enterprises and sell and distribute its products worldwide.



## The Ground-breaking Ceremony of CIMC's Prince Bay Project

On June 25, the ground-breaking ceremony of CIMC's Prince Bay Project was held. More than a hundred people gathered on the construction site of the Project to attend the ceremony and witnessed this historical moment. Participants included the leaders concerned of the CIMC Executive Committee and the management team as well as members from CIMC Industry & City Development Co., Ltd. (CIMC Industry & City), China Merchants Shekou Holdings (CMSK), Country Garden Holdings, Prince Bay Project Company and project designers.

CIMC's Executive Vice President Gao Xiang, commissioned by CIMC's President Mai Boliang, delivered a speech for the ceremony. In his speech, he noted that CIMC Industry & City and the project team would uphold CIMC's spirit of "making all efforts and striving for perfection" and complete the Prince Bay Project with high standards and strict requirements. He also urged them to bear in mind the mission of the times and live up to their promise as well as the expectations of the times in this promising land. He believed that the CIMC Prince Bay project would surely be a shining star in Shekou in the future and become an everlasting masterpiece.

Yu Zhenfei then took the floor on behalf of CIMC Industry & City. He pointed out that where the Prince Bay Project stood at was a promising land that kept the entrepreneurial memories of the older generation of CIMC and embodied CIMC's spirit of perseverance and accumulation. This land nurtured CIMC, witnessed its growth and expansion and built it into a global leading enterprise. The Prince Bay Project carried the high hopes of CIMC as well as CIMC's spirit of "striving for higher aspiration and constant improvement". The reform and opening up of CIMC has begun, and the development of the Greater Bay Area for the next era will once again bring Prince Bay to the forefront of the times. In Yu's speech, he hoped that the project team would keep the mission of the times firmly in mind and establish the Project into a top-quality benchmark!

Mr. Huang Jian was the next to give a speech as the representative of the Prince Bay Project team. He said that the Project would always stick to the spirit of craftsman and, guided by the principles of "high quality, high level and high standard" and serving for quality life, guarantee the final delivery of the project. As a result, the CIMC Prince Bay Project would

be built into a world-class coastal cultural and artistic complex that integrated city, mountains, sea and art.

It is learned that the Project covers two fields, namely DY01-04 and DY03-02. The former(DY01-04) covers an area of 1,000m<sup>2</sup> for commercial use and 22,000m<sup>2</sup> for building business apartments, while the latter (DY03-02) covers about 10,000m<sup>2</sup> of land for commercial use and about 90,000m<sup>2</sup> of office building (the final area shall be subject to the planning approval). The land will be used to build a 250-meter-high super office building, a block that offers high-end business experience and quality life and 2 costal international apartments as well.

Once the Project is completed, it will further contribute to the improvement of Prince Bay's international coastal planning (1.7 million m<sup>2</sup> in total). Besides, the Project will enhance Shekou's role as an important hub and its radiation effect on the Maritime Silk Road, and also consolidate Shekou's position as a port for foreign exchange and trade.



## CIMC to build China's first intelligent and facial recognition parking garage

In May, Jiaan public intelligent mechanical stereo garage was formally put into operation at Baoan District, Shenzhen. So far, it has effectively and efficiently solved the parking space shortage in the region and played an exemplary role in the construction of intelligent parking systems in the city. Jiaan Project is the first public intelligent mechanical stereo garage in Baoan District, and it is the first one in China that can offer vehicle in and out services via facial recognition system. The garage was designed and built by Shenzhen CIMC Intelligent Parking Co., Ltd (SCPC).

According to a responsible person with SCPC, the garage has 4 entries and exits at the ground floor. Users may park or get back their cars through 5 patterns, namely facial recognition, fingerprint recognition, long-distance mobile phone APP, scanning bar codes, and swipe card. The fast time for parking and getting back a vehicle is 60 seconds, and the average time is 90 seconds. In particular, the garage has preserved 53

parking and erected 15 charging stations for parking and charging new energy vehicles.

Facial recognition is the highlight of the garage and attracted great attention. After the parking system was put into operation, a number of residents specially drove here, parked their cars and had their faces recognized, noting that it was an amazingly unbelievable feature. When parking a car, after the facial recognition, the door of the vehicle hall will automatically close, and within no more than 10 minutes, a webcam will show that the car has been sent to the designated parking space; when getting back a car, after the facial recognition, the car will be sent back to the vehicle hall, and then the user will drive his car away. The operating procedures are simple and convenient.

"This is the first facial recognition feature enabled parking garage. Its success is in part attributable to our great designing system and industry-leading relocation equipment", said the responsible person.

SCPC is a member in the first group of companies that engaged in the intelligent parking business and won the mechanical parking equipment production permits from the State and proud to be a leader in the industry. With its core technologies for intelligent mechanical stereo garage and proven track record of standard business operations over the past 20 years, the company is capable of deeply understanding customers' demands and accurately translating them into actual projects. So far, CIMC Intelligent Parking has extended its business reach throughout the country and successfully delivered hundreds of thousands of intelligent parking spaces nationwide.

"Currently, Shenzhen is speeding up the public garage expansion and intelligent parking network construction. With the expertise in the areas, SCPC will seek to make more achievement after the Jiaan Project and enable Shenzhen to gain a head start in the automatic parking garage construction".



## CIMC builds Iceland's first steel-framed modular hotel



On June 20, CIMC Modular Building & Investment Co., Ltd. (CIMC MBI) held the ceremony for the shipment of its specially designed, developed and manufactured modules for Marriott Hotel at Reykjavik Airport, Iceland. This means that the modular building specialist has successfully extending its business reach into the North European market. The Marriott Reykjavik Airport is the first steel-framed modular hotel in Iceland and the first Courtyard brand hotel of Marriott International, Inc. in North Europe. All the modules will be transported by CIMC Intermodal Development Co., Ltd.

The hotel comes as an L-shape 4-storey building consisting of 150 guest rooms and 6 multifunctional rooms, including standard rooms and rooms special for guests with disabilities. The first floor is traditional steel-framed lounge, restaurant, parking lot and other public areas. The second to the fourth floors are built with 78 modules in total, with 26 modules for each floor. It is expected the hotel will be put into use in December 2019.

Iceland is a Nordic island country in the North Atlantic. Located closely adjacent to the Arctic Circle, at high altitude and in the Icelandic low, large persistent atmospheric low-pressure center, Iceland has unpredictable climate. The extreme weather is a huge challenge to on-site construction and building quality. In Iceland, only 5 to 6 months are suitable for outdoor working. "Due to the short delivery period and heavy workload, modular building is the best choice for the hotel property owner as it is prefabricated in plants and needs less on-site operations", said Wang Bo, the promotion manager of the hotel project.

Wang noted that due to prominent geographic and climate features, there are much higher requirements for steel materials, fire resistance, sound insulation and day lighting. During the construction of modules, CIMC MBI specially uses green and eco-friendly materials. Its effort has ensured that the project conforms to competent Icelandic standards and the much stricter standards

of Marriot International, Inc., and laid a solid foundation for future cooperation between the two sides.

Speaking at the shipment ceremony, Zhu Weidong, General Manager of CIMC MBI, remarked, "Chinese government is now fully implementing the "One Belt, One Road" Initiative, and this has tremendously benefited the Sino-Iceland cooperation. The two countries continuously deepen mutual cooperation on a complementary basis to seek win-win. In this context, CIMC MBI wins the bid to build modules for the Marriott Hotel at Reykjavik Airport, and this is a great inspiration to us. Iceland is emerging as one of the most popular tourism destinations in the world, its tourism business is booming, and this has generated high hotel leisure demands. We couldn't be more excited to introduce more modular hotels to the country."

## CIMC to build Hong Kong's first permanent modular building

Graced by Mrs. Carrie Lam Cheng Yuet-ngor, Chief Executive of Hong Kong Special Administrative Region (HKSAR) Government, the Construction Commencement Ceremony for the InnoCell of Hong Kong Science and Technology Parks Corporation (HKSTP) and the Ceremony for Signing Cooperation Agreement with Hong Kong Construction Industry Council were held on May 20. The InnoCell Project will be the first permanent modular building in Hong Kong, and it is contracted by HIP HING and to be built by CIMC Modular Building & Investment Co., Ltd. (CIMC MBI). The groundbreaking ushers in the era of modular building in Hong Kong and represents CIMC's successful access to Hong Kong's construction market.

Situated at Tai Po District, New Territories, the 17-storey InnoCell is a showcase for modern smart living and co-creation communities, offering flexible design and ancillary facilities, and will provide around 418 residential units of accommodation for HKSTP talents and incubatees. The 1st and 2nd floors will be constructed in traditional building forms, the 3rd to 17th floors will be constructed with CIMC's modular buildings, and all building designs and assembly must comply with HKSAR construction standard. Construction of the InnoCell is expected to be completed at the beginning of 2020.

Mrs. Carrie Lam Cheng Yuet-ngor noted in her speech that the adoption of modular integrated construction (MiC) technology will

significantly reduce labor shortage, improve workplace safety and raise construction efficiency. As a champion of using innovative technology in the construction sector, Mrs. Lam specially talked about her visit to CIMC's modular building prefabrication plant at Jiangmen where she updated the understanding of the MiC technology, saying that InnoCell was a new milestone for the adoption of innovative construction approach; and HKSAR government will encourage or directly require the use of MiC technology in the construction of HKSAR Institute of Public Servants and in projects of other government agencies or NGOs.

According to a responsible officer of CIMC MBI, InnoCell is one of modular building pilot program and the first permanent modular building project in Hong Kong and it is of significant importance for the innovation and development of Hong Kong's construction sector. Winning the bid for building the project means that CIMC MBI has successfully accessed Hong Kong market, improved its brand awareness in Hong Kong's building business, and laid a solid foundation for later wins of bids for other modular building projects in the region. "As the HKSAR government is making intensified efforts to promote the adoption of MiC technology, CIMC MBI, a company that has had a head start on Hong Kong market, will enjoy huge market potential and contribute more to the transformation of Hong Kong's building business."



# 清华管理评论

## Tsinghua Business Review: Eight crucial factors in creating CIMC's world champion product portfolio

*Eight Crucial Factors in Creating World Champion Product Portfolio*, a 7,000-word article published in the April 2019 Edition of the authoritative Chinese management magazine Tsinghua Business Review (HBR), has received considerable attention among readers including entrepreneurs and economic scholars.

Administered by China's Ministry of Education, operated by Tsinghua University, and published by China's top business school Tsinghua University School of Economics and Management, HBR centers round forward-looking and practical problems about enterprise management, focuses on practices of Chinese enterprises, and thought-provoking and professional excellence.

In the April 2019 Edition, HBR carried out in-depth analysis of the eight crucial factors that have enabled CIMC to create 20 world champion products over the past 36 years, revealed the management wisdom with CIMC characteristics, and illustrated the success experiences that have benefited and will continue to steer the development of Chinese enterprises.

Here is the full text of the Eight Crucial Factors in Creating World Champion Product Portfolio:

China International Marine Containers (Group) Co., Ltd (CIMC) was one of first Sino-foreign joint ventures established at Shekou Industrial Zone of Shenzhen at the beginning of China's reform and opening-up.

Mr. Mai Boliang, CIMC CEO and President, joined the Group in 1982 when he graduated from the university. He worked

as a technician at the beginning and in 1993, he was appointed general manager of the Group, and has been taking the position ever since. Mai and his coworkers started a legendary and spectacular second startup in his 30s. With continuous explorations, independent innovations, upgrading and transformation and international operations, CIMC has evolved from a container plant of 59 employees at verge of bankruptcy to a multinational company that has 50,000 employees and over 100 manufacturing enterprises and increased its annual sales revenue from several million dollars to roughly 100 billion yuan.

CIMC won its first world championship in 1996 by ranking first in the global container industry. Afterwards, the Group has successfully created 20 world champion products, including logistics equipment such as refrigerated containers, tank containers and boarding bridges, and energy equipment such as LNG storage and transportation trucks and offshore oil and gas drilling rigs. These products have not only generated 70% profits of the Group, but also enhanced the influence and presence of the Group across the world and played significant roles in improving the Group's competitiveness and ensuring sustainable business growth and smooth upgrading of businesses. Therefore, the improvement of the competitive edge of existing products and the creation of more championship-level products are of great importance for the Group to achieve transformation and upgrading and quality growth.

CIMC formally kicked off the campaign to create championship-level products.

In this context, the headquarters of the Group and different business centers jointly established the Championship-level Product Promotion Team to fully and systematically study standard systems, offer incentives and carry out promotion activities. By doing so, CIMC aims to improve its innovative ability and competitiveness, perfect the excellent operation system, and carry forward the "championship spirit" that has inspired CIMC people to make unremitting efforts to pursue improvement and excellence over the past 3 decades.

### Four dimensions in championship-level product assessment

In 2017, the headquarters of the Group took the lead in developing *CIMC's Championship-level Products Assessment & Incentive Measures* (hereinafter referred to as the "Measures"). In accordance with terms and conditions provided in the Measures, CIMC named 20 products as the world champion products from over 140 product series of nearly 100 enterprises under 5 manufacturing segments and rewarded the championship-level products. The Measures contain 4 dimensions, namely the financial performance, technology, brand and management system, which can be further divided into 6 secondary and 10 tertiary indicators. It is developed with reference to domestic and foreign authoritative researches, assessment criteria and CIMC's businesses and product properties (see Table 1).

In particular, the findings of Hermann Simon – the Father of Hidden Champions and the assessment criteria specified in the *Schemes for Implementing Special*

Primary indicator	Secondary indicator	Tertiary indicator
1. Financial dimension (40%)	1) Sales	① Annual sales amount of a product
	2) Gross profit	② Annual gross profit rate of a product
2. Brand influence (25%)	3) Market share	③ Annual market share of a product
		④ Annual market of a product
		⑤ Proportion of sales in mainstream regions
3. Technological dimension (25%)	4) Technological advantages and results	⑥ Core technology of products
		⑦ Patents and achievements in the past 3 years (relevance, importance and source of the technology)
4. Enterprise management (10%)	5) Proportion of research funding	⑧ Proportion of research funding to sales amount
	6) Enterprise management	⑨ Assessment or certification of an enterprise's management level
		⑩ Certification of champion

*Campaigns to Cultivate and Improve Niche Champions in Manufacturing Sector* by the Ministry of Industry and Information Technology (MIIT) were much referred to during the development of the measures.

In 1986, Dr. Hermann Simon coined the term and proposed the concept of "hidden champions". According to his definition made on the basis of findings derived from the data and information about nearly 3,000 hidden champion companies, a company must meet four criteria to be considered a hidden champion: highly successfully and influential company that is concealed behind a curtain of inconspicuousness, invisibility and sometimes secrecy; number one, two or three in the global market, or number one on the company's content, determined by market share; revenue below 5 billion Euros; grow rapidly, survive tactically, innovate creatively, and go deeper into the market or product segment persistently.

In 2016, the MIIT released the *Schemes for Implementing Special Campaigns to Cultivate and Improve Niche Champions in Manufacturing Sector*, raising the assessment criteria for niche champions: they should do pretty well in niche markets, own powerful brand influence and core independent property rights, take technologically benchmarking positions, have healthy corporate governance structure and management system and operate their businesses by law, they should work towards directions that will pave the path to power national industries or in key areas or technological fields about intelligent manufacturing, etc. So far, a number of CIMC's logistics equipment and energy equipment

manufacturers and their products have been rated as the niche champion demonstration enterprises and products.

Besides the above-listed two criteria, the Championship-level Product Promotion Team will together with domestic and foreign universities and professional organizations, such as the Simon-Kucher & Partners Strategy and Marketing Consultants established by Dr. Hermann Simon and the research team of the School of Management at Zhejiang University, refer to more national and international authoritative research results and assessment criteria, and further improve the Measures, so that it can be aligned with international excellence and play a strategically leading role. With the performance-based assessment and incentive of championship-level products, the Group will improve its SBU performance assessment and incentive system and

make more meaningful explorations into performance management in domestic manufacturing enterprises.

### Eight success factors contributing to the creation of world champion products

When we sorted out the world champion product cases, we found eight crucial factors contributed most to CIMC's successful creation of 20 world champion products over the past 36 products – leaders have an "inner flame" to become and remain the number one, teams always seek progress and pursue excellence, staying focused, continuous innovations, competitive advantages are because of quality, operating extremely close to customers, global operation, high-performance employees, agile organizations, and creating core competitiveness (see Figure 1).



Fig. 1 Eight success factors of world champion products

### Leaders have an "inner flame" to become and remain the number one

Dr. Hermann Simon believes that almost all hidden champions have an ambition of market leadership. For example, the German hidden champion Karl Mayer seeks to keep their market share equal to or above 70 percent on global markets, and Hungarian hidden champion 3B Scientific intends to become and remain to be the number one on global market.

Consistent with the world hidden champions' ambition of market leadership, CIMC's world champion enterprises have borne in mind the grand objectives since the inception. For example, CIMC Container aimed to sell and distribute its products across the world when it was established in 1981, to grow into a public company listed at Shenzhen Stock Exchange, and to become a real number one and a respected leading enterprise in the world; CIMC Nantong made up its mind to secure customers' orders with best-in-class product quality due to its less favorable geographical location when it was established in 1990, and to keep up with and surpass its Japanese competitors with zero defect products when it was chosen to design JR containers; CIMC Airport Facilities, a segment specialized in board bridges, decided to rank first in China and on earth since the inception in 1990. Among the eight success factors, what impress us most are the leaders' ambitions and teams' spirit of entrepreneurship and pursuit of excellence.

### Staying focused

The importance of diversity strategy versus the importance of professional strategy has been a controversial issue of the management experts and enterprises. Someone believe that with diversity strategy, the risks can be effectively minimized, since it is reasonable not to put all your eggs in one basket. However, when we take a closer look at the world champion enterprises, we find that they have been staying focused over the years, and their diversity is performed in a flexible manner by taking customers' demands seriously and centering round core businesses.

CIMC also benefits a great deal from staying focused during its creation of championship-level products.

CIMC has been focusing on industrial segments for years and even for decades. For example, CIMC Container has been operating for 36 years since its products were launched on market in 1982, and it has been ranking first for 23 years since it became the world champion in 1996; CIMC boarding bridges business has been operating for 29 years since the products were launched on market in 1990, and it has been ranking first for 13 years since it became the world champion in 2006; CIMC refrigerated container business has been operating for 23 years since the products were launched on market in 1996, and it has been ranking first for 18 years since it became the world champion in 2001; CIMC tank container business has been operating for 17 years since the products were launched on market in 2002, and it has been ranking first for 13 years since it became the world champion in 2006.

The Europe-based companies that joined in the Group in 2008 are the typical representatives of staying focused. For example, CIMC Ziegler has been working on the firefighting and rescue equipment business for 128 years since its inception in 1891; CIMC Ziemann has been working on beer brewing technology and EPC projects for 167 years since its inception in 1852; CIMC Briggs has been working on whisky distilling technology and equipment for 279 years since its inception in 1740. These enterprises operate extremely close to customers, focus on one product series, go deeper and further in a specific field under the guidance of the philosophy that less effort will made to expand to the category, but more effort should be spared to make it extraordinary, and constantly improve the technology and competitive edge. When they adopt the diversity strategy, they extend or enrich product line-up in a small number of fields on the basis of core resources and abilities. For example, CIMC has developed tank containers, collapsible containers, refrigerated containers and special-purpose containers under the dry container category; and for tank containers, it has

further developed ISO tank containers, tank containers with inner lining, gas tank containers and cryogenic tank containers. Therefore, CIMC's diversity strategy is made and implemented on the basis of clearly defined product planning, and it is staying focused during this process.

### Continuous innovations

Continuous innovation is an inseparable success factor in the creation of championship-level products. In his book *Hidden Champions*, Dr. Hermann Simon points out that different from large enterprises, hidden champions better integrate customers' demands with science and technology in its innovations. They solve specific problems with small but professional teams, since this will tremendously cut costs. Sometimes, senior management staff will participate in R&D activities, listen to customers' demands and turn them into reality. With the special innovation process, the R&D activities will be completed within a shorter period of time.

Dr. Hermann Simon's findings about the innovations by hidden champions have been proved to be true during CIMC's innovation and creation practice of the 20 championship-level products. Over the past 36 years, CIMC sends over 4,000 scientific and technological professionals and invests 2 to 3bn yuan in R&D activities each year for more than 100 business lines under the 5 manufacturing segments. The 20 championship-level products are backed by unrivalled core technologies, including 5,673 patents, in particular 2,227 invention patents. So far, CIMC has developed over 80 international and industrial standards, won more than 20 awards for scientific progress at national, provincial (ministerial) and municipal level, and had 30 hi-tech enterprises and 20 lean ONE benchmarking plants. At the same time, the Group has 2 national technological centers and engineering laboratories, and 47 segment and enterprise level R&D and designing centers that are operated and supported by collaborations across the world. Over the past 36 years, CIMC has been taking care of customers' demands and making continuous innovations accordingly.

### Competitive advantages are because of quality

Over the years, CIMC has been paying extra attention to the quality of products and expanding the product line-up during the upgrading of manufacture and service. In another word, the Group has been offering best-quality products and high-quality pre- and after-sales services to customers.

The story about JR containers has won CIMC the credit for zero quality defects. In 1997, CIMC was frustrated by the failure in the export of the first batch of JR containers due to the mildew on wooden lining. The then general manager Tang Guocai and 10 technicians went to Japan to investigate the problems and take remedies. In the cold winter, the 11 men visited all rail RAMPs one by one from Hokkaido to Osaka to find the real problems, and then recalled the products for repairing. Japanese railway officers were greatly impressed by their efforts and place the second order to see whether CIMC learned its lesson and improved its product quality. In the two years, the Group carried out dozens of design and technique improves and operating tests of more than 10 batches

of samples. In 1999, the Group lifted its product quality to the same level as that of Japanese companies and won the orders for 30% JR containers. In the third quarter of 2000, the Group raised its product and service quality above that of Japanese companies and won the orders for 60% JR containers, and it has been offering the larger proportion of products to Japanese partners. It can be said that the challenges and setbacks in developing JR containers has shaped CIMC Nantong's JR Container Quality Spirit. In 2002, CIMC Nantong created another world champion railway containers, and then it created 6 more world champions, for example, tank containers special for the storage and transportation of liquid chemicals. CIMC railway container business has been ranking first for 13 years since it became the world champion in 2006.

### Operating extremely close to customers

The biggest advantage of hidden champions is that they operate extremely close to customers. Most hidden champions only have a small number of customers, but they work closely with important customers. CIMC's

independently developed products or products manufactured with introduced and renovated technologies or by acquired and merged companies, such as containers, special-purpose vehicles, tank-type chemicals storage and transportation equipment and oil and gas mining equipment, have been leading the industrial development trends for more than 30 years. Its success is in part attributable to the deeper integration and collaborative innovation with customers and to the participation in the operating process of customers. A number of product improvements or the R&D of new products in container and airport facilities fields are inspired by customers, and the specific technological innovations and product upgrading are tremendously supported by customers.

### Global operation

Equipment manufacturing is now implemented on a global scale, but CIMC has done so for a long period of time. As one of China's first Sino-foreign enterprises, CIMC targeted at global markets since its inception. That is to say, the Group is global company from the very first beginning. Its global operation strategy is implemented in



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two phases: in the first phase (1982-2003), the Group's strategy was "Made in China, Sold in World". During this period, CIMC mainly produced containers and sold 80% containers abroad; in the second phase (2004-2018), the Group's strategy was "Worldwide Acquisition, Global Operation, Local Wisdom". During this period, CIMC extended its reach to vehicles, energy and chemical equipment and airport facilities, and manufactured 40% products at overseas production facilities and sold 60% products on overseas markets.

Albert Ziegler GmbH & Co, a German firefighting vehicles and rescue equipment maker established in 1891, has been operating in the firefighting and rescue equipment field since it produced the first firefighting water pump in 1925, and it has ranked top in terms of market shares and brand recognition on European market. However, it did not sell products outside Europe, especially on Asian market. With the fiercer international competition and the profit drop, the company was at the verge of bankruptcy in 2012. When CIMC acquired and restructured the company in 2013, it sent general manager Luan Youjun to Germany to perform the merger and consolidation. With the support from the Group's "Global Operation, Local Wisdom" platform, the operation and R&D investments, the adjustment of management team and the implementation of a series of cultural integration, management improvement and market expansion, Ziegler created the business pattern featuring R&D in Germany, sales across the world, and distributed manufacturing (Germany, Croatia, Sichuan, Shenyang and Shanghai), turned losses into profits in one year, and increased annual sales revenue and profit by 30% in 5 years, with new products accounting for 50% of the company's total, 20 patent rights each year, production efficiency increasing by 50%, orders from Chinese users growing 4 times, and sales on markets outside Germany rising 3 times.

### High-performance employees, agile organizations

High-performance employees and agile product manager organizations are one of crucial factors contributing to CIMC's successful creation of championship-level product portfolio.

During the early development stage of containers and boarding bridges, since the enterprises situated at Shekou Industrial Zone adopted fully autonomous employment and remuneration and bonus mechanism, the Group's product and project team had sufficient number of staff and full control over expenses. Besides, with the international business environment resembling that of Hong Kong, the product and project team members could directly communicate with overseas customers and suppliers, which greatly raised imported parts purchase, product development and marketing efficiency. As the number of target customers and application fields continue to increase, CIMC delegated its power to business units, so as to develop competitive advantages such as centralization, go deeper into markets and operate extremely close to customers. In 2018, CIMC established special innovation and startup funds and implemented the open-type "Double Creation and 100 Talents Entrepreneurship Program", so as to attract internal and external entrepreneurs to participate in the Group's common cause as business partners in the field of intelligent manufacturing and intelligent logistics fields.

### Creating core competitiveness

CIMC adheres to the principle that excellent enterprises create championship-level products and manufactures best-in-class products through excellent operations. The core competitiveness of a world champion enterprise is a complete set of systematic abilities. That is to say, the championship-level enterprise should do much better

than its competitors in product quality, service, cost efficiency and delivery period.

### There is a long way to run in the race for creating world champion products

CIMC has delivered extraordinary performance over the past 36 years. In the future, like other manufacturing enterprises, it will continue to forge ahead along the path of globalization and innovation, and there will be greater space for the growth of its logistics and energy equipment businesses. At the same time, further improvements and developments can be carried out for 20 niche champion products, because:

Compared with equipment manufacturing enterprises in Japan and Europe, the independent technological innovations and new product R&D abilities of CIMC's manufacturing enterprises lag behind, the product differentiation advantage is not distinct and the overall gross profit rate is not that high. Many championship-level products were created 20 years ago; many championship-level products created in the past 10 years came from acquired and merged companies; only a small number of championship-level products are created during the process of independent innovation. This means that CIMC should intensify its efforts to improve its independent R&D and innovation competence and make effective deployment of new products and technologies during the process of creating championship-level products.

CIMC does not have manufacture and service combined or service-oriented championship-level products, and the new technological content such as intelligentization is insufficient. In the face of the rise and popularity of new technologies such as the Internet and intelligentization, the intelligent manufacturing and the intelligent logistics will be the strategic development direction of the Group. However, there is

only small proportion of products using new technologies including the Internet of Things and the intelligentization. For existing world champion products, improvement must be done to remain number one.

In addition, the assessment, sorting out and analysis of world champion products indicate that 70% non-champion products contribute less to CIMC's profits than expected. At the same time, some underperforming enterprises on a large array of products, but they fail to focus on and create a product with unique or unrivalled advantages, and a large number of products of the same type and quality are produced by more than one company.

These problems demonstrates that during the revision of strategic plans and business proposals, it is necessary to take advantage of the opportunities for creating championship-level products, refer to the internal and external experiences of "staying focused" – a crucial success factor of championship-level products, further optimize business and product portfolio plans, and pay attention to the disposal of underperforming products while disposing underperforming assets.

As for the further creation of world champion products, CIMC will step forward along the track of intelligent manufacturing and intelligent logistics, and launch championship-level product creation projects that will be supported by big platforms and implemented by small teams. According to the future strategic plans of SBUs and enterprises and blueprints of product portfolios, it is expected that by 2022, CIMC will have over 10 more championship-level products in industrial segments with core advantages, such as intelligent logistics, cold chain logistics, natural gas storage and transportation, eco-friendly new materials and intelligentization, and 30 championship-level product portfolios, which will generate sales revenue of 50 to 60bn yuan and handsome profit.

In the future, the creation of championship-level products will be implemented by centering round the improvement of profit rate of existing championship-level products and creating more future championship-level products. Specially, continued efforts will be made to stick to the *5S Strategies and Business Plans of CIMC* and to take following measures:

First, strategic leading. It is necessary to include the creation of championship-level products into the strategic plans of the Group and SBUs, set annual objectives for improving gross profit rates of products and creating new championship-level products. Take the Energy and Chemical Equipment Segment as an example. CIMC extended its reach from tank containers to energy, chemical and food equipment in 2002, and it has created 9 championship-level products over the past 16 years. Mr. Gao Xiang, Chairman of the segment, has paid great attention to strategic planning since he was appointed general manager in 2008. The segment analyzes its product portfolios from the perspectives of global chemicals logistics, natural gas storage and transportation and liquid food industrial chains, and carries out product deployment on the basis of existing advantages and development potential; revises annual strategic plans from time to time, and gains deeper and better understanding of scales and competing status quo of each market segment, and clearly knows which "seed products" demand exploration, which "star products" demand immediate R&D, which core products demands all-out efforts, which products have the potential to grow into world champions, and which products should be disposed or eliminated.

Second, organizational guarantee. In the Group, the Operation Committee – Championship-level Product Promotion Team composed of leaders of the headquarters and segments should be established; in key enterprises, the Demonstration Project Teams led by chief engineers and chief process engineers should be established;

Third, supporting mechanisms. Efforts should be made to optimize assessment criteria and incentive mechanism and ensure the corresponding rights and duties are in place;

Fourth, implement specific approaches. Within the framework of 5S business plans, take the creation of values for customers as the guiding principle, give full play to the combination of technological innovations and precision ONE mode, promote product innovation and technological upgrading, and improve the competitiveness of products;

Fifth, Management innovations. Through the researches into existing world champion products, summarize management achievements with CIMC characteristics; through the practices in next couple of years, gradually improve the operation management system featuring the combination of the 5S Strategies and Business Plans of CIMC and the precision ONE Mode.

CIMC has been working on the construction of 5S strategic management and precision ONE manufacturing systems since 2008, and has established the operating system characterized by continuous improvement and innovation from the perspectives of culture, management system and operation improve. It is convinced that during the creation of championship-level products in the next couple of years, such systems will further lead CIMC's innovation and improvement and the precision improvement of excellent operation system, and take CIMC a big step forward towards the fulfillment of the objective to grow into a leading enterprise in the industry.

Picture and article: *Tsinghua Business Review*

Author: Liu Chunfeng, Yang Yian

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# 新华社

## China's high-end manufacturing business is cementing ties with global suppliers

Xinhua News Agency, an official state-run press agency and the biggest and most influential media organization in China, published the news story about how China's high-end manufacturing industry benefits the whole world. Under the Title of China's High-end Manufacturing Business is Cementing Ties with Global Suppliers, the story depicted the classic cases of CIMC Ziegler and CIMC Blue Whale One, giving a vivid picture of how domestic manufacturing enterprises and their global suppliers work to seek win-win. The full text of the article is as follows:

Albert Ziegler GmbH & Co (Ziegler), a German fire truck manufacturer, celebrated its 128th birthday a couple of days ago. Only a few years back, the cash-strapped company was on the verge of bankruptcy due to poor management, until it was sold to China International Marine Containers (Group) Ltd (CIMC), a Chinese company headquartered at Shenzhen.

When the acquisition started, the local government, industrial associations, customers and employees feared that the Chinese company would merely take technologies away and leave an awful mess. To address such concerns, the CIMC

team visited Ziegler's management team, core customers, local authorities and associations, and explained its future plans.

"In particular, we have specially built a museum to honor the long history of Ziegler and showcase its products developed and manufactured in over 100 year", said Li Yinhui, Chairman of Ziegler, "our efforts worked out all right in the end."

CIMC took over Ziegler in 2013. Back then, about 85 percent of Ziegler's products were merely sold in Germany, but now more than half of its customers are from countries and regions outside Germany

thanks to CIMC's global business network that covers over 100 countries and regions.

"We turned losses into gains within three years. Now the company has maintained a good profit, and the number of Ziegler's employees rose by more than 20 percent," said Li. "For CIMC, purchasing Ziegler also enabled us to access German brands and technology and helped us tap into the overseas market with 'Made-in-China' high-end fire engines."

The case of Ziegler is just a small representation of how international businesses benefit from an open market and cooperation. As China and the rest



Ziegler fire truck

of the world are increasingly connected, so are companies in the high-end manufacturing industry.

Data from the Ministry of Industry and Information Technology (MIIT) showed as of May last year, 22 out of the 31 main categories (71%), 167 out of 179 medium-sized category (93.3%) and 585 of 609 small-sized categories (96.1%) of the manufacturing industry in China have completely opened to foreign investment.

Blue Whale One, the world's most advanced ultra-deepwater and semi-submersible drilling platform manufactured by CIMC Raffles, succeeded

in collecting gas from combustible ice beneath the surface of the South China Sea in 2017. It also set two records for operating continuously for 60 days and collecting 300,000 cubic meters of gas.

Though China-built, Blue Whale One is actually an outcome of contributions made by parts and service providers from over 1,300 companies from China, Norway, France, Italy, Singapore and the United States, among other countries, according to Wang Jianzhong, President of CIMC Raffles, a subsidiary of CIMC.

"For instance, the DP3 positioning system, close ring and drilling facilities were

provided by companies in Norway; the buoyancy modules of drill conductors were provided by companies in Australia; the helicopter deck came from Singapore; the winch was made in France while the deck crane came from Italy", said Wang.

"A miracle like Blue Whale One can only be made through openness and collaboration."

An open market and technological cooperation have led Chinese manufacturers to established complete industrial chain, and the companies, too, have brought money and technology, created job opportunities and provided

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Blue Whale One is collecting gas from combustible ice

diversified products and better services in overseas markets. In the future, China will continue to speed up the openness and collaboration in the high-end manufacture industry and take it to a deeper level.

At the Drone World Conference held from June 20 to 22 in Shenzhen, more than 1,000 of drones made their debuts, and almost all of them, from source codes and chips to batteries and carbon fiber shells and then to marketing and application, were products of international collaborations.

The multi-purpose drones using

hydrogen fuel cells, a product jointly developed by Doosan Mobility Innovation and JOUAV, flew for 4 hours; the unmanned surveying drone, a product developed and manufactured by Hebei Chang'e Intelligent Science & Technology Co., Ltd., has recently entered the Belarusian market; Flying-Cam, a Belgian company specializing in design and manufacturing of an unmanned helicopter, have introduced Chinese investment and will launch production lines in China...

Speaking at the Drone World Conference, MIIT's Deputy Equipment Director Yang Shuanchang remarked that the ministry

is now working to accelerate and improve the drone standard system construction, and promote the innovative application of cutting-edge technologies such as artificial intelligence and 5G in the drone industry.

"The development of China's drone business is open to companies from different parts of the world. We are pleased to share our technologies and wisdom with them", said Yang.

Photo & text: Xinhua News Agency  
Reporter: Wang Feng