CIMC TODAY

今日中集

OCEAN DREAM SPECIAL ISSUE

Cosl Prospector Delivered:

A New Stage in CIMC Offshore Development

Development of CIMC Offshore

China Offshore Supplier of One-Stop Solutions

Market Gene Makes CIMC Offshore

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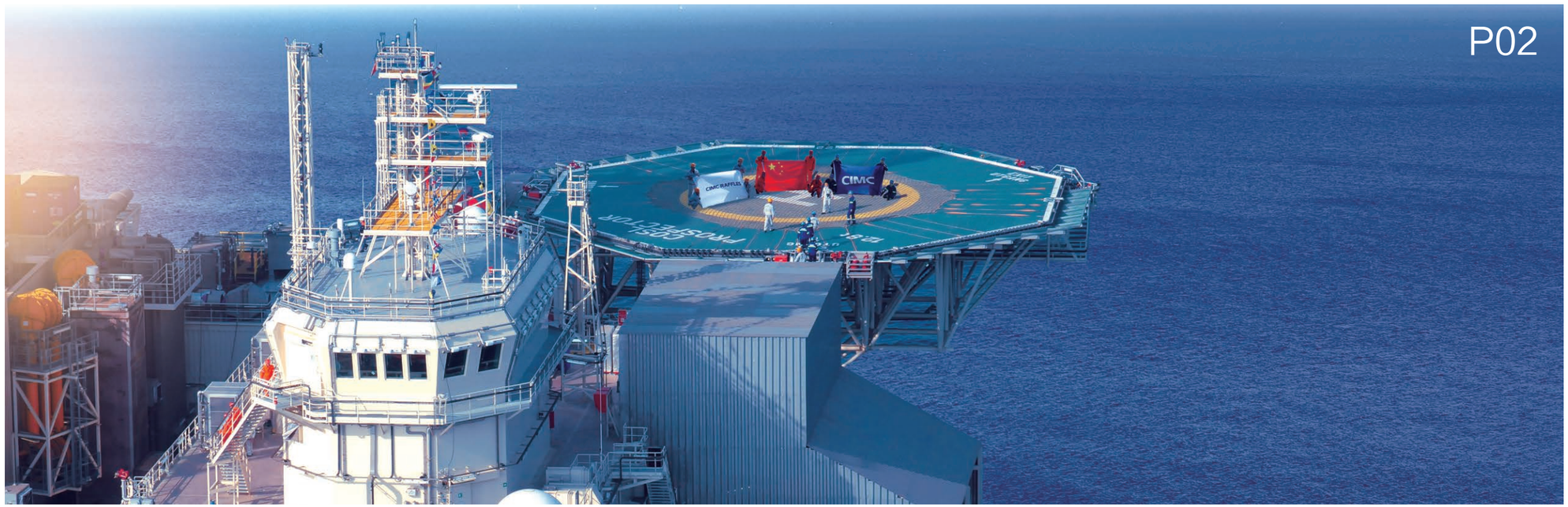


CONTENTS

CIMC TODAY
今日中集
聚焦中集商业成功
Focusing on CIMC Business Success

Editor's Note

"Whoever controls the ocean will control the world." With the advent of the 21st century dominated by the ocean, the fate of every country hangs on the development, exploitation and safety of the ocean, making marine economy a major driving force of the global economy. In China, marine economy has become a strategic component of the nation, as evidenced by the "One Belt and One Route" and "Development of South China Sea" strategies planned beforehand for future.

CIMC has been operating in China for over 30 years, mainly focusing on logistics and energy equipment and engaging in the ocean industry, which will lead the future development of China's economy. CIMC has scored tremendous achievements in 2014.

CIMC Offshore Segment, one of the three manufacturing bases of offshore facilities in China, has produced semisubmersible drilling platforms that fill up a gap in Chinese market and are highly acclaimed in the international high-end market. CIMC Raffles, Pride Mega Yachts and Yantai Tiezhongbao Steel Processing Co., Ltd. form the overall layout of CIMC offshore manufacturing segment. CIMC Raffles is also the only enterprise in China that is capable of designing and constructing semisubmersible drilling platforms in batch and is thus regarded as the "New Name Card of CIMC".

CIMC Financing Leasing Co., Ltd. has entered into supply contracts of large container vessels with global shipping giants such as CMA CGM and Mediterranean Shipping Company, setting a prime example for global resources integration. CIMC currently owns CIMC Offshore Engineering Institute Research Center, Yantai CIMC Offshore Engineering Institute and BT (Sweden) Company that form CIMC's design group. Along with the establishment of the Operation Support Division, the whole industrial chain layout of CIMC Offshore Segment has eventually been shaped up, covering R&D, construction, supporting facilities, operation service and financial service.

As to the ocean industry, President Mai Boliang firmly upholds the concept of "supplying powerful equipment for China and bringing convenience to the mankind". The senior management provides essential strategic support for CIMC with their forward-looking vision and unalterable resolution.

In the past year, 9,200TEU container ships and CIMC Raffles COSLPROSPECTOR were delivered successfully. As the CIMC Qianhai Project is carried forward at a quick pace, CIMC successful kept its fingers on the pulse of China's economy by focusing on the prospective layout of the ocean industry. According to the media, "CIMC has set an exemplary model for traditional industries in terms of industrial transformation and upgrade".

Now we've made it through the end of 2014.

Over the past year, CIMC has delivered satisfactory performance while operating in the ocean-related industries and its dreams have taken shape.

Editorial Department of *CIMC TODAY*

China Offshore Dream Setting Sail from Here

Development of CIMC Offshore

2008

March 12

CIMC Acquired Yantai Raffles for Deep-ocean Exploitation

CIMC purchased 29.9% of Yantai Raffles through its overseas subsidiary Sharp Vision Holdings Limited and became the largest shareholder of Yantai Raffles. Raffles is an international leading ship and offshore facilities manufacturer and is engaged in the construction of drilling rigs and supporting ships. The acquisition of Yantai Raffles marks that CIMC has officially entered the field of marine oil and gas development equipment, i.e. the construction of special ships and ocean engineering.

November 22

TAISUN Crane Initiated Semi-submerged Platform Construction

TAISUN crane, with a demonstrated lifting capacity of 20,000 metric tons, started lifting and mating for deckbox and lower hull of COSLPIONEER, China's first deep-water semi-submersible drilling rig. This is the first commercial lifting done by TAISUN. TAISUN crane opened a new chapter in construction of deep-water semi-submersible drilling rig, which may significantly save man hours and improve efficiency. It laid the foundation for China to catch up with and even surpass leading countries in shipbuilding. The crane was awarded by Guinness World Records for the heaviest lifting capacity, which is still unsurpassed.

2010

July 23

CIMC Established National Offshore Oil Drilling Platform R&D Center

With grant of National Energy Administration, CIMC founded the first National Resources Offshore Oil Drilling Rig R&D Center in China, which allowed CIMC Offshore to shift from manufacturing to front-end design and development, and inspired a new round of transformation in China offshore industry.

October 26

China's First Deep-water Semi-submersible Drilling Platform COSLPIONEER Delivered

The delivery ceremony of the first deep-water semi-submersible drilling rig COSL PIONEER constructed by CIMC Raffles for COSL was held, which marked that China had broken the monopoly of Singapore and South Korean enterprises on high-end offshore products.

November 12

Two Semi-submersible Drilling Platforms Built for Brazil Oilfield Service Provider

CIMC Raffles delivered two semi-submersible drilling platforms, i.e. SS Pantanal and SS Amazonia, for Schahin, a Brazil oilfield service provider, in 2010 and 2011 separately. This marked that CIMC Raffles was capable of batch and industrial construction of high-end offshore equipment in China.

2011

March 4, 2011, September 2012

Strategic Cooperation Agreement Signed with ABS and CCS

It is generally accepted that classification societies all play an irreplaceable role in the certification, trading and standard establishment of vessels. The strategic cooperation with ABS and CCS indicated that CIMC Offshore was winning industry-wide recognition.

August 30

CIMC Held CANSI Offshore Equipment Session for Offshore "Twelfth Five-year Plan"

At the CANSI Offshore Equipment Session sponsored by CANSI and organized by CIMC, the "Twelfth Five-year Plan" for offshore equipment manufacturing in China was specially discussed.

2012

January 12

CIMC ORIC Established and Started Operation

With efforts in nearly two years, CIMC Ocean Engineering Design & Research Institute (CIMC ORIC) was officially registered in Shanghai and put into operation. Hu Ankang served as the dean of the Institute. She is former head of No. 708 Institute of China State Shipbuilding Corporation and a State Council Expert for Special Allowance. The Institute would provide services including conceptual design, basic design, detailed design, production design and site operation for ships and ocean engineering. The establishment of CIMC ORIC showed that CIMC Offshore had been extending toward both ends of the "smiling curve".

September 22

CIMC Financing Leasing and CMA CGM Signed Leasing Agreement over Ten 9,200TEU Container Vessels

This is the first time that a world-class shipping company purchased container vessels from China in such a scale. In the transaction, CIMC effectively extended the mode of "China-based Design, Production and Finance" to overseas market by promoting integration of global resources and innovating the trade model relying on the business operation success of CIMC Financing Leasing and the design by CIMC ORIC.

December 10

300 ft Jack-up Drilling Rig for Caspian Sea Delivered: China's First Overseas Offshore Engineering under Lump Sum Contract

CIMC Raffles delivered the 300 feet Super M2 jack-up drilling rig Caspian Driller at Caspian Sea coast of Russia. This was a successful try of CIMC Raffles in building large offshore projects and also the first major offshore drilling platform built in Russia after the collapse of the former Soviet Union.

2013

April

CIMC Signed General Contract of Fourteen MSC 8,800TEU Container Vessels

CIMC Financing Leasing collaborated with CIMC Shanghai Design Institute in successful duplication of CMA9200 business model and signed the general contract of fourteen MSC 8,800TEU container vessels.

August 21

Tiezhongbao Established for Promoting In-house Production of Key Offshore Equipment

CIMC established Tiezhongbao with investment of Nippon Steel & Sumitomo Metal Corp. and Shanghai Baosteel, which would empower CIMC Offshore in industrial infrastructures and innovation. On a mission to promote in-house production of key offshore components, Tiezhongbao would create scale advantage and then expand its footprints in the domestic and overseas market.

August 28

Largest and Most Advanced 7th Generation Ultra-Deepwater Double-rig Drilling Platform Started Construction

CIMC Raffles started construction of two largest ultra-deepwater semi-submersible double-rig drilling platforms in the world. This not only indicated an increasing stronger capability of CIMC Raffles in design and construction of deep-water platforms, but a starting point for CIMC to challenge the deep-water oil and gas equipment. This also indicated that CIMC was among the best in the world regarding construction of semi-submersible platforms.

November 20

CIMC Acquired BASSOE TECHNOLOGY AB

The acquisition helped CIMC Offshore obtain orders, enhance concept and basic design capability, expand current product mix, promote overall layout in North Sea market, and realize rapid development with resources of BTAB.

November 25

OOS Gretha and OS Prometheus for Petrobras Delivered

CIMC Raffles delivered OOS Gretha and OS Prometheus for Petrobras. OOS Gretha and OS Prometheus are two deep-water semi-submersible lifting accommodation platforms independently designed and manufactured by CIMC Raffles with complete independent intellectual property right.

2014

April

CIMC Won the EPC of CNG Carriers in Indonesia

CIMC ORIC and CIMC ENRIC joined hands as a bidding consortium to partake in the EPC of CNG carriers of Perusahaan Listrik Negara (PLN), where they stood out among international competitors and won the EPC bid with the world first CNG carrier, which was researched and designed by them and AIP recognized by ABS.

June 25

1st 9,200TEU Vessel "CMA CGM DANUBE" Successfully Delivered

In June, CIMC Financing Leasing delivered the prototype of 9,200TEU container vessel. By effectively integrating global resources, CIMC extended the mode of "Design + Production + Finance" to overseas market. This was a prime example for CIMC business synergetic development and explained a strategic direction of CIMC future development.

August 04

Super Luxury Yacht ILLUSION Sold

CIMC Pride Mega Yachts announced that its 88.8-meter Illusion has been sold. The super luxury yacht marks the successful entry of Pride Mega Yachts into the large super luxury yacht market in the world and that it becomes a yacht brand with unique competitive advantages and mature technologies.

September 30

CIMC Raffles on the First National "White List" of Shipbuilding

The Ministry of Industry and Information Technology (MIIT) released a list of enterprises (first batch) conforming to Shipbuilding Industry Regulatory Requirements. CIMC Raffles is one of the few offshore enterprises on the list.

November 19

CIMC Raffles Delivered COSL PROSPECTOR: A New Stage in Offshore Engineering

CIMC Raffles under CIMC delivered the fourth deep-water semi-submersible drilling platform COSL PROSPECTOR constructed for COSL in Yantai, Shandong.

China Offshore Supplier of One-Stop Solutions

Global Delivery Performance of CIMC Offshore

CIMC Manufacture

Currently, the Offshore Segment has 12,000 employees and has 3 offshore R&D centers in Sweden, Yantai and Shanghai and 3 offshore manufacturing bases

a total of

18 offshore

rigs have been delivered successively

It is amongst a few of 100 m+ super yacht ship builders in the world

building and marketing

80m–120m

super yachts

It delivers marine platform spud leg material and parts for the global customers. Planed capacity: providing supporting material for 12 jack-up drilling rigs every year

providing supporting material for

12

jack-up drilling rigs

CIMC Design

CIMC Raffles

Offshore Segment is one of four main segments of CIMC and its main business is the design and manufacturing of semi-submersible drilling rig, jack-up rig, floating production storage and offloading unit, crane ship, pipe-laying ship, and other offshore ships, covering main offshore products for the whole process of oil and gas development. From 2010 to 2014, a total of 18 offshore rigs have been delivered successively. The Segment is among the first in China that has the capability of batch and industrial construction of high-end offshore equipment in China. Currently, the Offshore Segment has 12,000 employees and has 3 offshore R&D centers in Sweden, Yantai and Shanghai and 3 offshore manufacturing bases. It is the largest offshore manufacturing base in terms of construction size and is the national deep water equipment design and manufacturing center. Deep water semi-submersible drilling rigs delivered by the Company are distributed in main oil and gas areas in the world, including the North Sea in Norway, Brazil and Mexico Gulf. The Company has achieved good results in the field and has won high recognition from global mainstream customers.

Located in Zhifu Island in Yantai City, Yantai CIMC Raffles Offshore Limited is a specialized offshore enterprise integrating design, manufacturing and commissioning and general contracting qualifications for the construction of high-end offshore equipment. The Company has world-class offshore construction facilities and has created a series of innovative constructions processes for deep water semi-submersible drilling rig including modularized land formation, large barge launch, 20,000 crane closure inside the dock and -18 m deep water wharf underwater installation of propellers.

From 2010 to 2014, a total of 18 offshore rigs have been delivered successively. The Segment is among the first in China that has the capability of batch and industrial construction of high-end offshore equipment in China. Deep water semi-submersible drilling rigs delivered by the Company are distributed in main oil and gas areas in the world, including the North Sea in Norway, Brazil and Mexico Gulf. The Company has achieved good results in the field and has won high recognition from global mainstream customers. In 2013, the business revenue of the Company was RMB6.74 billion.

Located in Fengcheng District in Haiyang, Yantai, the Company is mainly engaged in the construction of semi-submersible drilling rigs,semi-submersible crane & accommodation drilling rigs and offshore special ships. The Company covers an area of 430,000m^2, with a coastal line of 446m and has 1 piece of 700-ton gantry crane, 2 pieces of 250-ton gantry cranes and 3 shipway production lines. The Phase II project will cover an area of 238,000m^2 and is planned to be completed by the end of 2015. The Company has completed 4 offshore projects and now two world's most advanced seventh generation ultra-deepwater semi-submersible double-rig drilling platforms are under construction.

Located in Longkou Economic Development Zone, the Company is mainly engaged in the general contracting construction of jack-up drilling rigs. The Company covers an area of 420,000m^2, with a coastal line of 415m and has 1 piece of 600-ton gantry crane, 2 pieces of 250-ton gantry cranes and 3 shipway production lines. The Company has a total investment of RMB1.5 billion and is striving to be the largest and most advanced production and manufacturing base for jack-up drilling rig in the world.

Pride Mega Yachts

Located in Yantai of China, Pride Mega Yachts subordinated to CIMC is a world-class super yacht builder with unique competitive advantages. It is specialized in R&D, building and marketing 80m-120m super yachts and continually meets the growing market demand for super yachts. It is amongst a few of 100m+ super yacht ship builders in the world.

Tiezhongbao

Yantai Tiezhongbao Steel Processing Co., Ltd. (NCBC) was jointly established by Shenzhen CIMC Investment Holding Co., Ltd., Shanghai Baosteel, Nippon Steel & Sumitomo Metal Corp., Nippon Asahi Trading Co., Ltd. and Nippon Steel & Sumitomo Metal. It delivers marine platform spud leg material and parts for the global customers. Planed capacity: providing supporting material for 12 jack-up drilling rigs every year. NCBC will make full use of resources and capacities of its cooperators and provide high-quality spud leg and rack material to support and lead the offshore development and upgrading.

Yantai Offshore Engineering Institute

Yantai CIMC Offshore Engineering Institute Company Limited located in Yantai High-tech Industrial Park is a high-end, industrialized, professional and international offshore product R&D platform and is granted as "National Resources Offshore Oil Drilling Rig R&D Center" by the National Energy Administration. It covers a total area of 73,333m^2 and total building area of 60,293m^2 and has a design team of over 800 staff. The company enjoys an assortment of resources like 3D product design software, CATIA software, mechanical analysis software ABAQUS, platform stability analysis software NAPA and hydrodynamic analysis software WAMIT. Besides, it is capable of basic design, detailed design and construction design for semi-submersible platform and jack-up rig.

CIMC ORIC

CIMC Ocean Engineering Design & Research Institute Co., Ltd (CIMC ORIC) located in Jinqiao High-tech Park in Pudong New Area, Shanghai, is a professional research and development institution for ship and marine engineering subordinated to CIMC, which was established in 2010 with a registered capital of RMB50 million. There are about 140 scientific research personnel.

The Company provides plan design, basic design, detailed design, construction design for ship and marine engineering and supporting service for on-site construction. Main development products include container ship (container ships and dual-fuel container ships such as 20,000TEU, 18,000TEU, 14,000TEU, 10,600TEU, 9,200TEU, 8,800TEU, 2,400TEU and 1,400TEU); new energy ship (LNG/LPG/CNG transport ship); offshore equipment (rig, drilling ship, FPSO, wind power installation platform, semi-submerged carrier).

Sweden BT

Sweden BASSOE TECHNOLOGY AB in Sweden is a famous offshore design company. Established in 2007, it has 47 staff, of which, 23 core staff with rich offshore project experience are from old-brand offshore design company GVA. BTAB has powerful basic design capacity for drilling ship, semi-submersible drilling support platform, semi-submersible workover platform, semi-submersible drilling platform, etc.

CIMC Finance

Its registered capital is 70 million USD and by December 2013

its total asset has exceeded

RMB10.6 billion

Financing leasing

Founded in 2007, CIMC Financing Leasing Co., Ltd. is a wholly-owned subsidiary of CIMC. The Company is a "one-stop" solution provider supported by CIMC global operation network and multiple industrial layout and co-marketing with different industries of CIMC. It is committed to providing service of "equipment + finance" for all its customers, especially those in the fields of logistics and energy equipment including containers, special vehicles, energy chemicals, offshore, etc. CIMC Financial Leasing has launched many subsidiaries in China, the USA and Hong Kong with business covering global mainstream markets including the America, the Europe and the Australia. Its registered capital is 70 million USD and by December 2013, its total asset has exceeded RMB10.6 billion.

CIMC Financing Leasing, as a leader in China's financial leasing industry, is now the Council Member of China Financial Leasing Association and the Vice-Chairman Unit of China Financial Leasing Industry Association. It has been granted with such awards by CAEFI Leasing Industry Working Committee as China Financial Leasing Innovation Award in 2010 and 2012 and China Financial Leasing Company for 2011. As China's only financial general contractor for business including containers, offshore vessels and modular buildings, it not only provides support and service for CIMC product upgrade and strategic transformation but also leads the new benchmark for the future development of China's financial leasing industry. In 2013, Ms. Zeng Beihua, Executive Director of CIMC Financing Leasing, was selected as Person of the Year for China Financial Leasing and the Company won the Pioneering Award of China Financial Leasing.

CIMC Services

Ocean Challenger

Ocean Challenger Co., Ltd., a Singapore-based company founded in 2010, has more than 30 staff including senior consultants and senior engineers. The Company is striving to become an industry-famous company in fields like consultancy, supervision and ship management. It produces best products in accordance with regulations to respond to the complex ocean engineering with good will and rich experience; it delivers best services and solutions to meet customer expectations and to bring in considerable benefits for them; and it cherishes every single opportunity to cooperate with customers and business partners to meet their interests and to achieve mutual benefits through friendly cooperation.

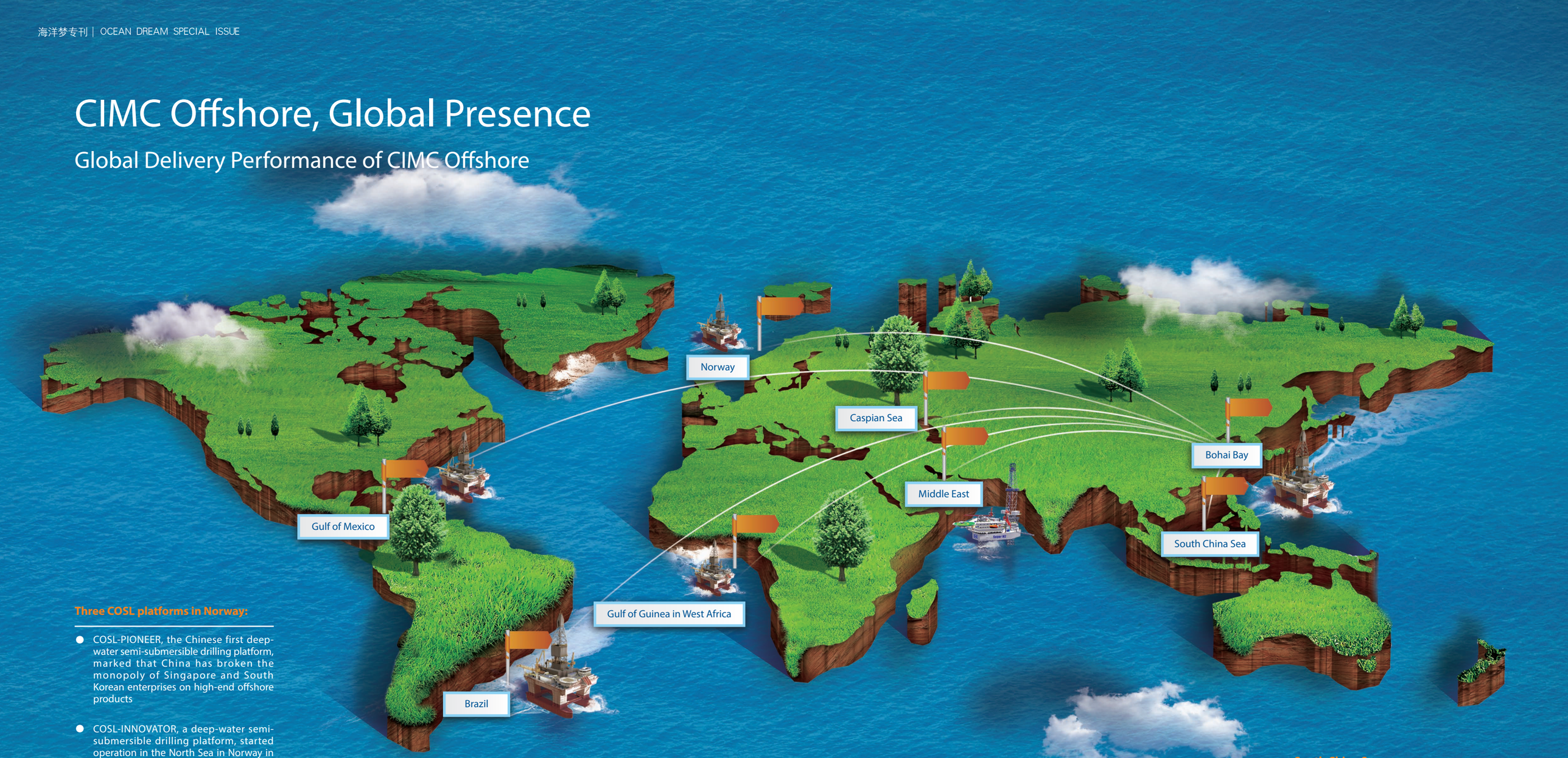
Qianhai High-end Marine Financial Demonstration Area

Qianhai Office

In July 2013, CIMC Group set up the office for CIMC Qianhai Project. The office is responsible for the exploration about how to combine CIMC advantage and the national and local strategies, the project planning and the specification of implementation plans for project landing focusing on the development opportunity in the South China Sea as per requirements of Qianhai Project leading group. After efforts for more than one year, the office suggested to intensively develop the maritime finance and specialized service relying on Qianhai modern service industry cooperation zone and build in Qianhai the national demonstration zone for maritime modern service industry to provide supports for construction of the Maritime Silk Road and scheming and landing plans for the South China Sea development.

CIMC Offshore, Global Presence

Global Delivery Performance of CIMC Offshore



Three COSL platforms in Norway:

- COSL-PIONEER, the Chinese first deep-water semi-submersible drilling platform, marked that China has broken the monopoly of Singapore and South Korean enterprises on high-end offshore products
- COSL-INNOVATOR, a deep-water semi-submersible drilling platform, started operation in the North Sea in Norway in September 2012
- COSL-PROMOTER, a deep-water semi-submersible drilling platform, started operation in the North Sea in Norway in the first half of 2013

Caspian Sea

Caspian Driller, a jack-up drilling rig, was delivered in KB shipyard, Astrakhan, Russia on December 10, 2012

Gulf of Mexico
Gulf of Guinea in West Africa

Scarabeo 9, the ultra-deepwater semi-submersible double-rig drilling platform featuring deepest drilling in the world and a design of dual towers and rigs, operated in Cuba, Gulf of Mexico, Brazil and West Africa

Middle East

Super M2 Driller, a jack-up drilling rig, operated in the Persian Gulf

Four deep-water platforms in Brazil

- SS Pantanal, a deep-water semi-submersible drilling platform, drilled for Petrobras the #16 well in March 2014
- SS Pantanal, a deep-water semi-submersible drilling platform, drilled for Petrobras the #5 well in March 2014
- OOS Prometheus, a semi-submersible lifting accommodation platform, arrived in Rio de Janeiro Brazil on February 20, 2014
- OOS Gretha, a semi-submersible lifting accommodation platform, arrived in Rio de Janeiro Brazil on March 09, 2014

Bohai Bay

- ESV GUARDIAN, a jack-up supporting platform, operated in Bohai Gulf
- Offshore Oil 932, a jack-up drilling rig, operated in Bohai Gulf

South China Sea

COSL PROSPECTOR, CIMC Raffles's deep-water semi-submersible drilling platform, is about to depart for the South Sea, making contributions for China

Cosl Prospector Delivered: A New Stage in CIMC Offshore Development

On November 19, 2014, CIMC Raffles delivered the COSL deep-water semi-submersible drilling platform COSL Prospector constructed for CDE in Yantai, Shandong. This is a leading drilling platform in China in terms of technical merit and standard. As the fourth in COSL series, the platform was designed to meet requirements of North Sea in Norway which is notorious for the worst sea conditions in the world. The platform fully demonstrated that CIMC Raffles had been the first in China to develop batch design and production capacity in deep-water semi-submersible drilling platforms.

According to industry analysts, on-time delivery of COSL Prospector following the turning around of CIMC Raffles in the first half of the year indicated that CIMC Offshore was starting a new phase of development: a strategic pattern with specialized labor division, batch design & production, and R&D experts was taking shape. Leading by CIMC Raffles, China high-end offshore industry successfully ranked in the second-tier of global offshore industry, same as Singapore and South Korea.

"It is a critical time when the manufacturing focus of global high-end offshore equipment shifts toward China. 37 years of CIMC Raffles in offshore industry also tells the history of China offshore development. Aiming to provide experience for China manufacturing reform and references for government decisions and capital market, CIMC Raffles will stick to the idea of "deep-water development", extend industrial value chain and pursue the strategy of developing industrial ecosystem on the strength of strong innovation capability and leading system of CIMC, and by virtue of transformation & upgrade in high-end offshore equipment manufacturing" said Yu Ya, Vice President of CIMC and President of CIMC Raffles.

As one of three offshore equipment manufacturing bases in China and a pioneering lump sum contractor of high-end offshore equipment manufacturing in China, CIMC always maintains an active presence in global competition in international offshore engineering market. CIMC Raffles is also the only enterprise in China with batch design and production ability in deep-water semi-submersible drilling platforms.

In a recent interview, CIMC President Mai Boliang expressed that, "There are three indicators to determine whether CIMC Offshore is successful or not in the initial stage: first, profitability; second, recognition of global market with the total value of orders in hand no less than USD3 billion; third, well-operating delivered platforms and satisfaction from customers."

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China Self-developed Offshore Equipment Entered Latin America Market

By Wang Hailin, People's Daily Reporter in Brazil

Recently, two deep-water semi-submersible lifting accommodation platforms OOS Gretha and OOS Prometheus designed and manufactured by CIMC were delivered in Rio de Janeiro. These two platforms have begun to provide supporting accommodation services for Petrobras and the former, OOS Gretha, is the largest deep-water semi-submersible lifting accommodation platform operated in waters of Brazil.

It is worth noting that these two platforms are independently designed and manufactured by Chinese enterprises with wholly independent intellectual property owned by CIMC. The delivery marks that China's deep-water semi-submersible lifting accommodation platforms have won recognition of overseas mainstream customers, and also a great leap forward of China's offshore equipment manufacturing.

At present, deep-water semi-submersible drilling platforms operated in Brazil account for 25% of global market.

The OOS Gretha measures 137.5 meters in length, 81 meters in beam, and 39 meters in depth (base line to main deck). With a maximum variable load of 7,070 tons and a capacity of 618 people, it is great for sea areas in West Africa, Brazil and Gulf of Mexico.

Haroldo Lima, former head of ANP noted that, "The delivery of platform marks the further cooperation in the field of energy between China and Brazil." He wished that, Chinese enterprises would constantly strengthen cooperation with local Brazilian companies in terms of offshore equipment design and manufacturing to truly achieve complementary advantages and win-win cooperation.

As a global supplier of mainstream logistics equipment and services, China International Marine Containers (Group) Ltd. (CIMC), under guidance of the national going-out strategy, established partnership with local enterprises in 2006 to stretch a presence in local market and sold offshore equipment to Brazilian enterprises including Petrobras. Now Latin America has become the most important business area of CIMC.

Gao Shang, CIMC Chief Representative in Brazil, expressed his wish to further tap the market demand for deep-water platforms in Brazil, strengthen the cooperation with Brazilian enterprises, and provide customers with a full package of services including financing, design and manufacturing.

John Azeredo, principal of Brazilian Association of Shipping & Offshore said in an interview with our reporter that two accommodation platforms delivered by CIMC were operating well. He spoke highly of offshore equipment manufactured by Chinese enterprises and hoped that more similar products from China would enter Brazilian market.

In 2013, CIMC completed final assembly of one large equipment in Russia, which is the only large equipment in Chinese shipbuilding and offshore engineering field that assembled overseas. In future, CIMC aims to provide various supporting offshore equipment according to oil exploitation cycle of Latin-American countries, and realize in-house production of large equipment.

(Published on People's Daily June 9, 2014, Page 22/Abridged Version)

Most Advanced CIMC 7th Generation Deep-water Drilling Rig under Construction

In August 2013, CIMC Raffles started construction of the largest ultra-deepwater semi-submersible double-rig drilling platform at Haiyang Base. On the morning of February 28, 2014, the second 7th generation ultra-deepwater semi-submersible double-rig drilling platform contracted by CIMC for Norwegian company (Frigstad Deepwater Rig Alfa) officially began its construction at Haiyang Base. This indicates that China is striding toward the first chair in offshore platform construction.

The platform is not only the largest but also the most advanced ultra-deepwater semi-submersible double-rig drilling platform in the world. D90 drilling platform measures 117m long, 92.7m wide and 118m high with a largest displacement of 70,000t and DP3 dynamic positioning system, falling into the classification of Det Norske Veritas. The platform features a largest operating depth of 3,658m and drilling depth of 15,250m and adopts NOV (National Oilwell Varco) hydraulic-pressure double-rig design. Besides, it boasts capacious utilizing space of deck, convenient maintenance channel of engine room, DP3 closed loop design, under-deck disposal and storage system of rock debris as well as ballast water treatment system.

Yu Ya, Vice President of CIMC and President of CIMC Raffles, commented that the delivery of two platforms in a row not only indicated an increasing stronger capability of CIMC Raffles in design and construction of deep-water platforms, but also a starting point for CIMC to challenge the deep-water oil and gas equipment.

D90 drilling platform is scheduled to be completed and delivered in the first half of 2016. Norwegian Frigstad Deepwater Rig Alfa is responsible for basic design, and CIMC Raffles is responsible for the detailed design, construction design, construction, commissioning as well as independent installation and commissioning of the whole drilling system. The platform will be capable of operating in such deepwater sea areas as Gulf of Mexico, South China Sea, Australia, Brazilian sea area, West Africa and South Atlantic.

CIMC Offshore: Strong R&D and Design Capability

CIMC Offshore Engineering Institute Research Center is the technology R&D base of CIMC Raffles. It is a R&D and design platform for achieving industrial, specialized and international development of high-end offshore products and is awarded "CIMC National Resources Offshore Oil Drilling Rig R&D Center" by National Energy Administration. The Company now has more than 800 technicians. The Company enjoys an assortment of resources like 3D product design software, CATIA software, mechanical analysis software ABAQUS, platform stability analysis software NAPA and hydrodynamic analysis software SESAM. Besides, it is capable of basic design, detailed design and construction design for semi-submersible platforms and jack-up drilling rigs.

In December 2013, CIMC acquired Bassoe Technology (BT), a famous Swedish offshore design company. After acquisition, BT would serve as the R&D and design center of CIMC Offshore in Northern Europe. BT shows great strength in conceptual design and basic design of high-end offshore products including semi-submersible drilling platforms and drilling vessels. Through acquisition and development, domestic R&D team is allowed to participate in collaborative design at international level. Thanks to the interaction, domestic teams will learn from advanced international design concepts. Meanwhile, Chinese standards will be integrated into international rules.

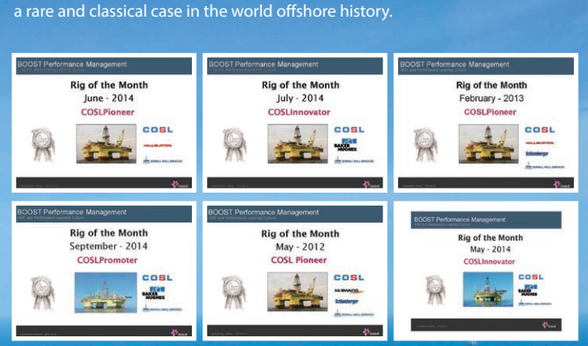
CIMC Ocean Engineering Design & Research Institute (CIMC ORIC), subordinated to CIMC, is a specialized research and development institute for ships and ocean engineering. Founded in 2010, it now has about 140 researchers. The Company provides plan design, basic design, detailed design, construction design for ship and ocean engineering and supporting service for on-site construction. Main development products include container ship (container ships and dual-fuel container ships such as 20,000TEU, 18,000TEU, 14,000TEU, 10,600TEU, 9,200TEU, 8,800TEU, 2,400TEU and 1,400TEU); new energy ship (LNG/LPG/CNG transport ship); offshore equipment (rig, drilling ship, FPSO, wind power installation platform, semi-submerged carrier).

CIMC Delivered Platforms Win Recognition of Mainstream Customers

In September 2014, GM semi-submersible drilling platforms delivered by CIMC Raffles were recognized as "Rig of the Month" in North Sea of Norway for six times.

Every month Statoil will make a comprehensive assessment on drilling platforms operated in North Sea. In this major international market with the severest sea conditions, three GM deep-water semi-submersible drilling platforms delivered by CIMC Raffles including COSLPioneer, COSLInnovater and COSLPromoter defeated twenty other drilling platforms and ranked the first in terms of overall performance in May, June, July and September, and thus were awarded "Rig of the Month".

By far, CIMC Raffles had delivered 4 GM platforms and planned to build another three. This upgrade and construction of 7 platforms in batch had been a rare and classical case in the world offshore history.



Tiezhongbao: Driving the Homemade Progress of Offshore Equipment

August 21, 2013, Yantai Tiezhongbao Steel Processing Co., Ltd. (NCBC) was jointly established by Shenzhen CIMC Investment Holding Co., Ltd., Shanghai Baosteel, Nippon Steel & Sumitomo Metal Corp., Nippon Asahi Trading Co., Ltd. and Nippon Steel & Sumitomo Metal. It would empower CIMC Offshore in industrial infrastructures and innovation. On a mission to promote in-house production of key offshore components, Tiezhongbao would create scale advantage and then expand its footprints in the domestic and overseas market.

It delivers marine platform spud leg material and parts for the global customers. Planed capacity: providing supporting material for 12 jack-up drilling rigs every year. NCBC will make full use of resources and capacities of its cooperators and provide high-quality spud leg and rack material to support and lead the offshore development and upgrading.

CIMC Built China Largest Super Yacht (88.8 m) Illusion

Illusion is powered by diesel engine of Rolls-Royce cars, achieving a cruising speed of

14

and the highest speed of

17.5

The world longest and largest super yacht Illusion (88.8m) constructed in Chinese shipyard is sold and expected to be delivered in October 2015. Jan JaapMinnema, a yacht dealer from Monaco Office of Fraser Yachts takes charge of the transaction.

Illusion is constructed by Pride Mega Yachts in Yantai, and is the latest flagship of the shipyard. With construction started in October 2011, this 6-deck yacht measures 88.8m long and 15.6m wide. Azure Naval Architect is responsible for ship engineering. Azure Naval Architect is a long-term partner of world-renown yacht manufacturers including Oceanco and Hakvoort, and has many widely-acclaimed works including Seven Seas, Alfa Nero, Cakewalk and Anastasia. UK design company Rainsford Mann Design (RSD) takes charge of appearance design. It is inspired by Rolls-Royce cars, especially in powerful bow and smooth hull line. While elegant and extravagant interior space with the most exquisite Asian style is created by famous Sander Sinot (Sinot Yacht Design), whose products include the excellent interior design of Feadship Musashi. Illusion is powered by diesel engine of Rolls-Royce cars, achieving a cruising speed of 14 and the highest speed of 17.5.

This 88m flagship is the longest and largest super yacht constructed in China. At the 2013 Monaco Yacht Show, numerous shipowners and media were amazed by her beauty. This yacht is no doubt a milestone in the China yacht industry. Pride Mega Yachts, with unique creativity and supreme quality, not only stand out among Asian yacht manufacturers but rival leading enterprises in Europe and America. Jan JaapMinnema from Fraser Yachts, the world's largest super yacht operation and management company, will serve as the dealer of the yacht and follow up the whole transaction. The cooperation of powerful Fraser Yachts and Pride Mega Yachts will definitely provide unparalleled personal services for shipowners.

7 luxury rooms

14
guests for ideal living

a spacious crew quarter
which may accommodate

27 crews

What makes Illusion so different? It is not difficult to answer this question: grand interior space, astonishing length and a total weight of 3,600t. With a great combination of leading technology and superior craft, Illusion is born to be a world-class ship. Besides, spacious interior space has allowed any play in creation of style and atmosphere: luxurious, comfortable and unique. The yacht features 7 luxury rooms to satisfy desires of 14 guests for ideal living, and a spacious crew quarter which may accommodate 27 crews.

To maintain market priority, Pride Mega Yachts has to provide high-standard European design in a competitive price. However, quality is the priority among priorities for this emerging super yacht brand.

Jan JaapMinnema, the dealer of Illusion, indicated that "In super yacht, speaking of yacht quality, we will not think of China. Indeed, Pride Mega Yachts is an up-rising star in super yacht area. However, as a joint venture enterprise in China, its products are accessible in a very reasonable price due to abundant but cheap labour resource in China."

Illusion is not only a super yacht. Her presence not only filled the gap of China yacht industry in construction of high-quality super yacht, but marked China's development toward a giant in luxury industry. Supported by such cutting edge technology, China will shock the world in developing the yacht brand in some day. ItaySimhony, the principal of Pride Mega Yachts, expressed his views about the change. "Until now, China luxury export accounts for 25% of global market. Therefore, it is not surprising that China wants to change its role and have a share in this market. China's emphasis on quality and strong driving force in production will no doubt promote and reform the global luxury market and even global economy."

It is said that Pride Mega Yachts is intensively preparing for its next super yacht--the 115m Estatement, which will feature simple future design and technological innovation. All these have given us great expectation and confidence for future of super yacht manufacturing in China!

CIMC Financial Segment, Powering China's Dream of Vessel

Successful Delivery of 9,200TEU Container Vessel: The First Vessel by New Times

Currently, CMA CGM, French largest and the world's third largest shipping company placed an order for ten 9,200TEU container ships from CIMC. The Delivery and Christening Ceremony of the First Container Ship was held in Changxing Island on June 25, 2014. It is the first time that a world-class shipping company orders container ships in large volumes from a Chinese shipbuilding company.

In the project, CIMC acted as the vendor of package solution and CIMC Financing Leasing Co., Ltd. as the shipowner who did well in resources integration. The ship designer, CIMC ORIC, provided CMA CGM with financing and ship design services. CIMC proposed a creative solution integrating finance, service and manufacture that were all sourced in China, which was deeply favored by world-class shipping giants.

Wang Zhiwu, the General Manager of CIMC Financing Leasing Co., Ltd. and the representatives of DSIC and CSOC signed on the Redelivery Certificate, in the presence of the representatives and guests from CIMC, CMA CGM, Dalian Shipbuilding Industry Co., Ltd. ("DSIC"), BV, China Export & Credit Insurance Corporation, ICBC (Asia), BOC, CDB, CCB, CMB and Reed Smith LLP and the captain of the Container Ship. It marked the successful delivery of the first 9,200TEU container ship.

Standing in front of the first 9,200TEU container ship, Zeng Beihua, General Manager of CIMC Capital Management Department and the guest invited for christening the ship, excitedly announced: I hereby name you "CMA CGM DANUBE", wishing you good luck, success and safe in future voyages and hoping you can bring great honors and treasures to DSIC, CIMC and CMA CGM. With this, Zeng Beihua wielded the wire rope cutter. Loaded with affections and great expectations, the newly born CMA CGM DANUBE will sail to the Asia-Europe Line.

As the Chief Designer of "CMA CGM DANUBE", Hu Ankang felt so proud of the building and delivery of the ship. He emphasized that the project is the product of combination between industry and finance and solves the problem of scientific research production and finance.

Mr. Lars Karstrup, SVP of CMA CGM (Asia), highly commended the design and construction of "CMA CGM DANUBE". The delivery of the first 9,200TEU container ship indicates that China is capable of building high-quality ships. The crew is proud of cooperating with CIMC and inviting Zeng Beihua as the christening guest. Lars Karstrup stressed that this is the first container ship that has been built under the cooperation between CMA CGM and a Chinese shipyard and he hoped for further cooperation.

As one of the shipbuilding supervisors, BV witnessed CMA CGM's recognition of the project. The representatives of CMA CGM have commented that the ship is comparable with those built by internationally well-known shipyards of Japan and South Korea.

On December 3, 2014, "CMA CGM LITANI" of 9,200TEU container vessel series with CIMC Financing Leasing as the owner, and CIMC Ocean Engineering Design & Research Institute Co., Ltd. as the designer and supervisor, was officially named and delivered at Jiangsu New Times Shipbuilding Co., Ltd. "CMA CGM LITANI" was designed by CIMC Ship and Offshore Design & Research Institute Co., Ltd., and the first 10,000-container vessel manufactured by Jiangsu New Times Shipbuilding Co., Ltd.

China Capital, Design & Manufacture, CIMC One-Stop Solutions Going Overseas

The establishment of Offshore Segment of CIMC reshaped the practice of single model and focus just on manufacturing but not service by domestic enterprises. Taking 9,200TEU container vessel as example, CIMC successfully played the role of resource integration by proposing a creative solution integrating finance, service and manufacture that are all sourced in China, which is deeply favored by world-class shipping giants.

Since 2008, the accelerating internal transformation and upgrading of CIMC has given birth and nurtured a number of emerging industries with strategic significance, including high-end offshore, vessel design, natural gas and high-end finance service; especially with China's concentrated efforts in promoting marine economy, CIMC, supported by accurate interpretation of these policies, extended its presence in foreign lands and numerous businesses including offshore and finance, which was expected to inspire the currently sluggish-recovering shipping industry and create favorable environment for the domestic shipbuilding.

"CIMC has found the answer as can be seen in CMA and MSC. It is to know CIMC's strength, to integrate resource, to innovate in business model, and to replicate success rapidly." With CIMC Financial Leasing as the platform, CIMC Design Institute and Group Fund Management Department cooperated closely to integrate resources of CIMC, China and the world, with an innovative business model for CMA9,200TEU, MSC8,800TEU container vessels package solution, making a large project possible with little investment. The two projects are estimated to contribute profit of hundreds of millions dollars for CIMC.

With this 9,200TEU vessel leasing project, CIMC became a truly resource integrator. By providing high value-added financial service and research & design, and integrating resources of container vessel financing, designing, and building, CIMC managed to gain complete intellectual property, which acts a controllable mode for CIMC to achieve industrial linkage, industrial value chain high-end extension and unique trade mode.

Through integrating resources of design, manufacturing, and capital in China, CIMC Financial Leasing manages to provide high value-added financing and vessel design service, which is of great value to customers, and beneficial for business linkage and business model upgrading inside the group. In the long run, the leasing project can also offer tempting expected return.

"CIMC has the ability to integrate resource in China, and customers need it. Such connection is not merely business, but also trust. CIMC is considered as the bond." CIMC is able to provide resources including vessel design and manufacturing, financial service, as well as insurance in China, to achieve package solution or one-stop service for customers, according to officials.

The difficulty of insufficient customers for normal shipyards and insufficient fund for customers in China is expected to be overcome. The 9,200TEU container vessel leasing project contributed lots of value for this strategic customer of CIMC, and met CMA CGM's demand for fleet upgrade to constantly improve standings and competition, which was a brand new innovative model for the industry.

Comments from Global Customers

June 25, 2014 – the first 9,200TEU container vessel (CMA CGM DANUBE) designed by CIMC Ship and Offshore Design & Research Institute was delivered officially in Dalian. Mr. LUDOVIC GERARD, the Vice President of CMA-CGM specially sent a congratulation letter to Ms. Hu Ankang, the President of Offshore Engineering Institute, and her work team. He said in his letter:

It is such a pity that I can't be there for the delivery ceremony of CMA CGM DANUBE, the first container vessel designed by CIMC Ship and Offshore Design & Research Institute. In the following months, more vessels will be delivered.

Delivery of the first vessel can offer valuable experience. I believe your team has harvested a lot in knowledge and technology during this period of time.

Enjoy an unforgettable delivery ceremony tomorrow!

Best wishes to CMA CGM DANUBE and her crew!

Yours sincerely!

CMA SHIPS
CMA CGM group

Marseille, 24th of June 2014

ORIC
Madam HU Ann Kang

Dear Madam HU,

It is my deep regret that I cannot attend the naming ceremony of the M/V CMA CGM DANUBE.

She is the first container ship designed by ORIC to be delivered, more ships will follow in the coming months.
Achieving the first vessel has been a tight experience, I believe your team gain knowledge and knowhow during this time.

Wishing you to enjoy the memorable event tomorrow,

All the best to M/V CMA CGM DANUBE and he crew !

With my kind regards,

Ludovic GERARD

LUDOVIC GERARD
Vice President of CMA-CGM

The Power of Mechanism

Market Gene Makes CIMC Offshore

High-end offshore equipment manufacturing, in the eyes of CIMC President Mai Boliang, is the most needed sector in China, and the one needed to be improved. It is, of course, pretty difficult to excel in high-end offshore equipment, which requires adequate strength, appeal, willpower and perseverance.

Regarding numerous enterprises entering offshore business currently, Mai Boliang commented that any company must have, first of all, a correct understanding, and then the willpower and perseverance, and lastly adequate strength before entering this field.

In Mai Boliang's mind, CIMC's choice for any industry should base on three judgments. First, whether it follows the trend of the whole human kind, the social development and the future; second, whether CIMC's strength can be utilized; and last but not the least, whether it matches with national strategy. At present, CIMC has formed "Four Large and Four Small" segments: with "Four Large" referring to Container, Vehicle, Energy & Chemical, and Offshore, and the "Four Small" referring to Airport Facilities, Logistics, Finance, and Real Estate.

"The outstanding results of CIMC Raffles should give credit to the innovative mechanism which connects us with the market. After identifying the vast potential of global offshore market, CIMC granted the decision-making power for development to Raffles, who knows the offshore market the best", said, Yu Ya, Vice President of CIMC.

South China Sea: Treasure Bowl of China's Offshore Oil and Gas

According to geological survey results by Ministry of Land and Resources, over 10 major oil bearing basins in South China Sea have been verified, covering about 852,400km^2, almost half of the total area of continental shelf of South China Sea. Oil reserve in South China Sea is estimated to be at least 23 – 30 billion tons, or even 55 billion tons at most, together with 20 trillion m^3 of natural gas, it is just another "Persian Gulf".

Hainan offshore along has 3 Cenozoic sedimentary basins including Beibu Gulf, Yinggehai and Qiongdongnan, covering 160,000km^2, a prospecting target for oil and gas. By far, 5,520 million tons of oil and 12 trillion m^3 of natural gas have been explored.

The history of offshore natural gas in Hainan can be dated back to 1956. Local fisherman found natural gas seepage off the coast from Xinbao to Yinggehai, which marked the beginning of China's efforts in offshore oil exploration.

In 1983, Yacheng 13-1 Gas Field was found with a 50km^2 gas-bearing area proved and natural gas reserve of 100 billion m^3. In 1996, Yacheng 13-1 Gas Field was put into operation, offering 2.9 billion m^3 of natural gas to Hong Kong every year.

Recently, hundreds of global oil companies have started to cooperate with countries surrounding South China Sea, and China has also been accelerating the development strategy for South China Sea. From "Shelve Disputes and Carry out Joint Development" to "The Belt and Road Initiatives", it is obvious that China is accelerating the development of South China Sea.

At this stage, only CIMC can provide deep water equipment in batch for the development of South China Sea.

Developing South China Sea: CIMC, Gathering Top Chinese Offshore Equipment

The development of the South China Sea has been escalated to a national level consideration in terms of future layout. It is located in between the Pacific and the Indian Ocean with annual tonnage of passing ships accounting for 1/2 of the global total tonnage, which is twice the traffic flow of the Suez Canal and three times of the Panama Canal. About 15% of the world total trades are realized via this path. It also boasts abundant oil and gas resources and values.

The broad South China Sea has a rather complicated submarine topography. The outer edge of its continental shelf is less than 120m deep yet taking up nearly a half of the whole area of the sea. The depth of its continental slope falls from several hundred meters to several thousand with central sea basin deeper than 3,500m. The deepest point is in Manila Trench at 5,377m.

Over time, China has not enough capacity in oil and gas exploration from deep water and even ultra-deep water. Offshore Oil 981 rig is one of the few pieces of high-end maritime engineering equipment.

Under the mega development strategy of the national maritime economy in the future, CIMC Raffles is the only one capable of batch design and construction of deep-water drilling platforms in terms of equipment.

What is even more appreciated is that in next 3 years, the deep-water semi-submersible drilling platforms of CIMC Offshore completed and being built will be as many as 5 units, all available for direct use in the South China Sea. They are COSL PROSPECTOR delivered by CIMC Raffles on November 19, 2014, and the world only VII generation dual-drill ultra-deepwater semi-submersible drilling platform D90 x 2 and deep-water semi-submersible drilling platform GM4D x 2, which are being built.

The construction period of the above platforms covers 2014-2016, providing optional equipment foundations for the development of the South China Sea.