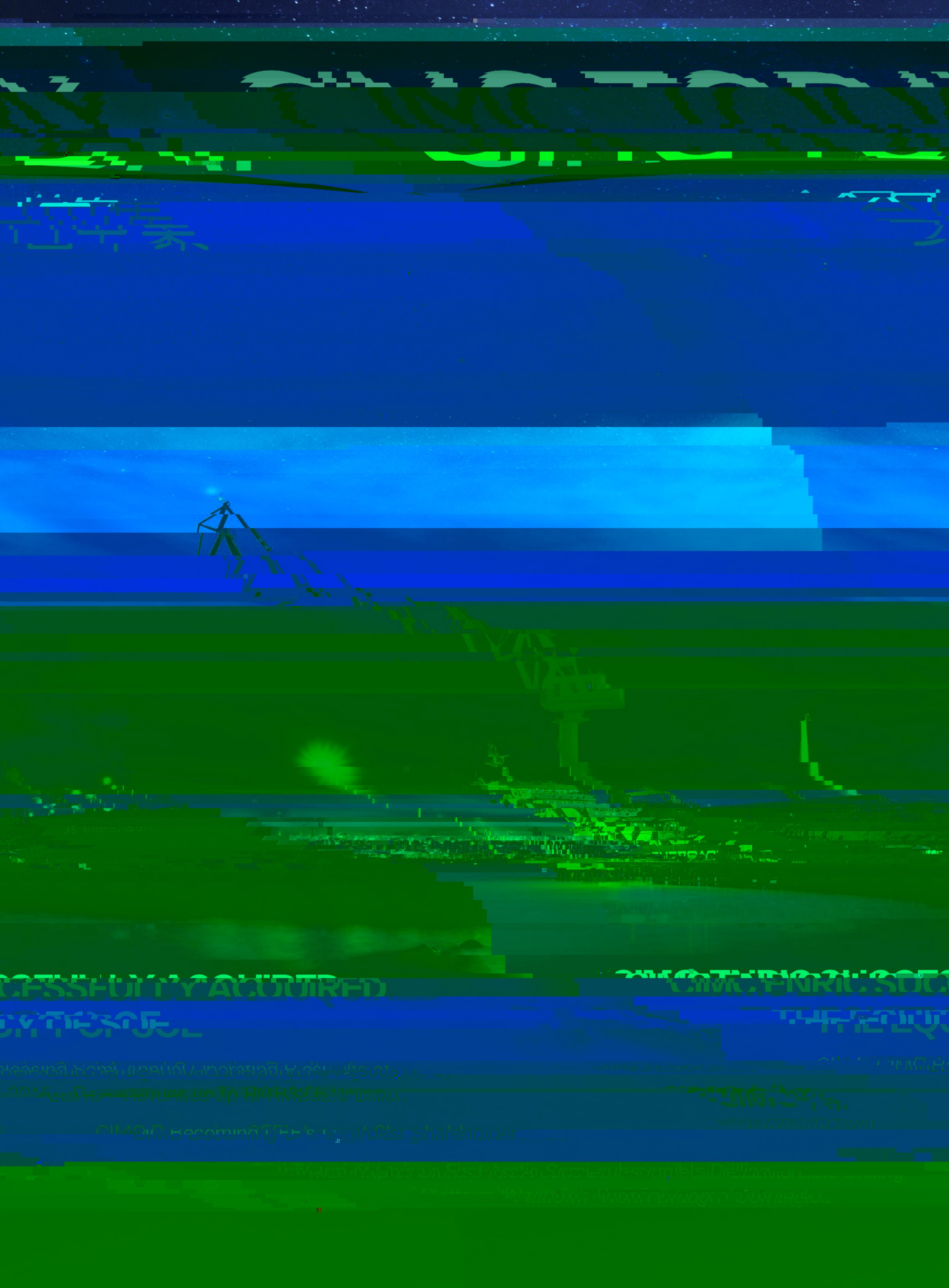

CIMC Today Issue No. 212

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CIMC Today is published quarterly by CIMC.

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B 10163 ( )
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(Internally distributed)

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Internal materials for free exchange

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CIMC TODAY
今日中集

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

Preface

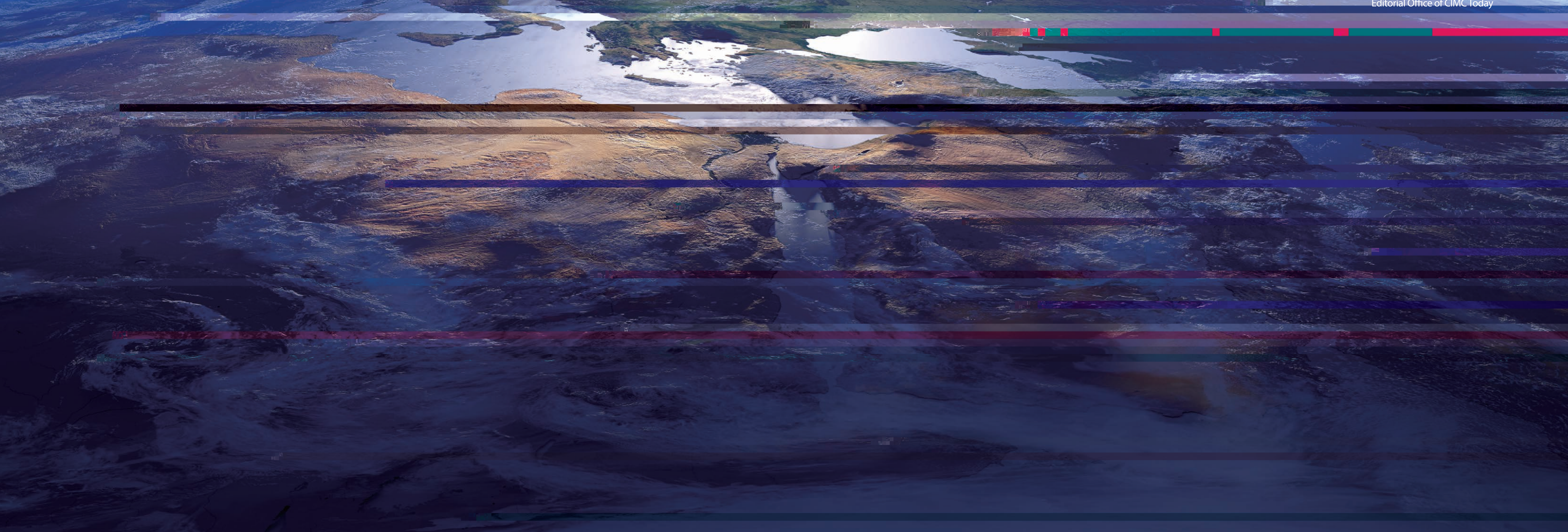
In 2015, global economic recovery slows down and energy sector has been tremendously impacted as oil price continues to decline. In the first half of 2015, the revenue of CIMC Group grew steadily year on year and net profit increased dramatically over the same period last year.

CIMC proactively responds to the harsh times of the industry through resource integration, management optimization and technological innovation. In the second half of 2015, CIMC has successfully acquired the equity of Nantong Sinopacific Offshore & Engineering Co., Ltd. (SOE), significantly improving CIMC's capability and overall competitiveness in natural gas equipment. Moreover, CIMC has become the single largest shareholder of China Fire Safety Enterprise Group Limited (CFE) through asset transfer. Therefore, Ziegler and CFE can coordinate and share their superior resources with each other, which will further boost CIMC's competitiveness in the fire rescue market.

It is noteworthy that CIMC Offshore Engineering has made remarkable progress despite harsh market situation. "North Dragon", China's first semi-submersible drilling platform in the Arctic Ocean, has made a successful trial voyage, signifying that the deepwater platform designed and manufactured by China goes into mass production. Currently, CIMC Raffles has become the largest manufacturing base of semi-submersible drilling rig in China and also the sole offshore engineering company capable of designing and building deepwater semi-submersible drilling platform on a massive scale.

No winter lasts forever, and spring will come. CIMC will actively follow the social trend, seek continuous improvement and innovation, pursue quality-based growth and bring new value for customers. 2016 has a rosy prospect in store for CIMC.

Editorial Office of CIMC Today



CIMC Releasing Semi-Annual Operating Results of 2015 – Revenues up to RMB32.6 Billion

The CIMC Semi-Annual Results Conference 2015 was held in Hong Kong on Aug. 28, 2015, attended by the CEO & President Mai Boliang, the Secretary of the Board Yu Yuqun and the General Manager of Financial Management Department Jin Jianlong. As disclosed at the Conference, CIMC generated operating income of RMB32.6 billion, up by 1.84% year on year; the net profit totaled RMB1.518 billion, up by 46.68% year on year.

The first half of 2015 witnessed a greatly improved profitability in both the Container Segment and the Vehicles Segment; the Logistics Segment enjoyed a continuous business growth; affected by the international oil price, the Energy, Chemical and Food Equipment Segment and the Offshore Segment suffered a drop in profits yielded.

CIMC's management expressed that despite of the harsh global economic environment, CIMC would adjust its development goals and explore mixed ownership practices to optimize the corporate governance structure so as to accommodate itself to the social and economic reform tide; strive for constant improvement and innovation in technical and business modes and management mechanism; and seize the historic opportunity to attain high-quality business growth and become a diversified multinational industrial group pursuing sustainable and balanced value growth.

A Delegation Led by CSRC Vice Chairman Jiang Yang Paying a Guidance & Survey Visit to CIMC

On Oct. 15, a delegation led by Vice Chairman Jiang Yang and Director of Listed Company Supervision Department Ouyang Zehua of China Security Regulatory Commission (CSRC), accompanied by Jiao Jinhong, Director General of Shenzhen Securities Regulatory Commission, Deputy Director General Zhang Haishan and Liu Huiqing, Deputy General Manager of Shenzhen Stock Exchange, paid a visit to CIMC HQ and listened to relevant reports on China Merchants Group and CIMC. Li Xiaopeng, General Manager of China Merchants Group, Mai Boliang, CEO & President of CIMC, Fu Gangfeng, CFO of China Merchants Group, Hong Xiaoyuan, General Manager Assistant of China Merchants Group, Hu Yong, Regional Development Department Chief of China Merchants Group and Yu Yuqun, Secretary of the Board of CIMC attended the conference.

During the conference, Mr. Yu, on behalf of CIMC, gave a briefing on company situations, mainly including corporate governance, business development and transformation and upgrading. Mr. Hu introduced the information of China Merchants Group and gave a briefing on the progress of Qianhai Project and Free Trade Zone.

Mr. Jiang stressed that the growth of capital market relied on the supports from listed companies and this visit was arranged for the purpose of examining the thoughts and status quo of listed companies so as to boost the market development from the perspectives of CSRC in the next stage.

Rumah Soekarno (Sino-Indonesia Collaboration Center) Settling Down in Shenzhen Qianhai

The naming and unveiling ceremony of Rumah Soekarno (Sino-Indonesia Collaboration Center)

CIMC Becoming CFE's Largest Shareholder

On Jul. 10, CIMC and China Fire Safety Enterprise Group Limited ("CFE" for short) completed the equity transfer transaction, whereby 40% equities held by CIMC in Albert Ziegler GmbH ("German Ziegler" for short) is injected to CFE in exchange of CFE's 30% equities. As a consequence, CIMC becomes the sole largest shareholder of CFE.

On Jul. 31, CFE convened the 1st Board Meeting following its joining into CIMC in Chengdu. As prescribed in the Articles of Association, CFE's new BOD consists of Li Yinhui, Jiang Xiong, Jiang Qing, Zheng Zuhua, Luan Youjun and three independent directors. At the meeting, Mr. Li Yinhui, Vice President of CIMC, was appointed as the Chairman of CFE's new BOD and Mr. Jiang Qing as CFE's CEO.

Mr. Li pointed out that CIMC has established partnership with CFE and it should, backed by CFE, promote continuous advancement and improvement of CIMC's Fire Services Segment while adhering to the tenet of "common undertaking, common goal and one family", thus making CIMC a global leading group of fire-fighting equipment.

The cooperation with CFE not only endows CIMC with a capital platform for developing its fire engine business but also helps it acquire the qualifications required for access to China's fire engine market. The two sides will effectuate "Sino-Germany sound interaction to complete each other's strengths" in the future so as to accelerate mutual collaboration while enhancing the overall competitive edge of CIMC's fire engine business and in turn promoting the rapid and steady development of the fire engine business.

CFE is one of the most powerful fire engine manufacturers in China and also the supplier of emergency lighting for fire protection, importer of fire-fighting equipment and contractor of fire engineering. It was listed on Hong Kong Stock Exchange (stock code: 00445) in Aug. 2002, making it the first listed company in China's fire protection sector. CFE boasts of more than 50 years of experience in manufacturing and technical R&D of fire engines, establishing solid market foundation and great band influence.

CIMC Jointly Initiating Establishment of China's First Corporate Anti-Fraud Alliance

China Corporate Anti-Fraud Alliance was established in Shanghai on Jun. 18, 2015, which was witnessed by over 40 news media. Its founder members include benchmarking enterprises in various sectors such as CIMC, Alibaba, Vanke, Midea, SF-express, Country Garden, Shimao and Fosun, together with professional organizations specialized in internal control such as Guangdong Enterprise Institute for Internal Controls and Sun Yat-sen University.

Liu Zhenhuan, Secretary of CIMC's Discipline Inspection Commission made a speech on behalf of CIMC at the beginning of the event, stating: compliant operation is the paramount social responsibility of each enterprise, and it cannot be achieved without a favorable external environment or supports from social forces. Fraud is a common but serious phenomenon in Chinese economic field, with numerous cases and lessons raising alarm bells over compliance. We are clearly aware that "indoor disinfection refined to one household" cannot effectively curb or uproot "fraud and commercial bribe" which is like a plague infecting the whole society. We hope each member of the Alliance could seek common ground while bearing in mind the tenets of "eradicate fraud, build trust, protect healthy environment and promote development" so as to build the Alliance into a "national united front" aiming at purifying Chinese enterprises' survival environment. Other business representatives and industry experts in audit, internal control and law also expressed their views and perspectives on establishment of the Alliance.

China Corporate Anti-Fraud Alliance is the first private non-profit organization established by businesses targeting at fraud prevention. It aims at helping enterprises to execute anti-fraud practices and build relevant systems through innovation and cooperation, promoting resources and information sharing, fostering a platform for exchange of anti-fraud experience, and eventually creating a clean business environment free of corruption.

The establishment of the Alliance will facilitate the creation of a cross-industry platform for exchange and sharing of incorruptible business operation information, organization of regular communication and training and improvement of the members' anti-fraud mechanism and management performance. Moreover, it will guide the employees to work and act with integrity so that incorruptible operation and employment can be widely acknowledged by the enterprises and the whole society.

Academicians of "Academicians' Tour to High-End Manufacturing Enterprises 2015" Campaign Paying a Visit to CIMC

Academicians of "Academicians' Tour to High-End Manufacturing Enterprises 2015" Campaign sponsored and organized jointly by CAE Academician Activity Base and Shenzhen University paid a visit to CIMC on Oct. 12. Qian Qingquan and Tan Jianrong, academicians from CAE, and Zhai Wanming, an academician from CAS as well as other experts took part in the survey visit. CIMC's Deputy President Wu Fapei and Assistant President Huang Tianhua as well as other executives attended the meeting and exchanged their views.

CAE and CAS, as two brain trusts of the State's development planning and policy setting, have participated in the formulation of *Made in China 2025*. The "Academicians' Tour" campaign is launched mainly for the purpose of investigating the prevailing manufacturing level of Chinese enterprises based on the *Made in China 2025*, examining the enterprises' development barriers and exploring into new key technical development directions and topics, all of which will be incorporated in the subsequent national planning and policies. The academicians and experts were debriefed by CIMC on the program titled "Made in CIMC 2025". The experts spoke highly of CIMC's achievements made in digital and automatic technologies. Meanwhile, the experts recommended that CIMC give play to its advantages to preferentially develop intelligent manufacturing technologies and innovative designs, explore the path to intelligent manufacture in China and strive for the State's demonstration project.

CIMC Lean ONE Mode Team Honored as "National Outstanding Quality Management Team"

The "Surmounting QC Team – Elimination of Partial Sandblasting of Door Vertical Beams" from Taicang CIMC won the title of "National Outstanding Quality Management Team" at the 37th Quality Management Team Representatives Meeting held in Sep. 16 – 17.

The meeting was attended by 1,300 representatives from provincial, municipal and industrial quality management associations, enterprises & public institutions and Hong Kong. CIMC Lean ONE Team stood out from several rounds of screening by industrial quality management associations and was eventually granted the title of "National Outstanding Quality Management Team" by China Quality Association, All China Federation of Trade Unions, China Association for Science and Technology and All-China Women's Federation.

"Shenzhen Top 100 Enterprises 2015" List Released, CIMC Ranking No. 8

"Shenzhen Top 100 Enterprises 2015" ranking campaign co-hosted by Shenzhen Enterprise Confederation and Shenzhen Economic Daily started to unveil the list recently. CIMC ranks No. 8 on the list, with its record high operating income in 2014 amounted to RMB70.071 billion. The top three enterprises include Ping An, Huawei and CMBC.

CIMC Releasing Its Corporate Responsibility Report 2014 in Beijing and Winning the Honor of "Five Star Enterprise in Social Responsibility Fulfillment"

The 2015 Conference for Presentation of Social Corporate Responsibility Reports in China's Industrial Economy Sector and 2nd Conference for Release of Star Rating List of Chinese Industrial Enterprises in Fulfillment of Social Responsibility was held in the Great Hall of the People on Jul. 26.

At the conference, CIMC released its SCR Report 2014. China Federation of Industrial Economics and UNIDO officially unveiled the 2015 Star Rating List of Chinese Industrial Enterprises in Fulfillment of Social Corporate Responsibility, honoring CIMC as a "Five-Star Enterprise in Social Responsibility Fulfillment in China's Industrial Sector (2015)".

The SCR Report 2014 released by CIMC introduced the Group's efforts and achievements made in the past year in actively performing its social responsibility in pursuit of sustainable development of the society and the Group itself. It is an important means to facilitate two-way communication and exchange between the Group and stakeholders, and thus plays a crucial role in unblocking the channel of communication between enterprises and the government, industry and society, building an image of responsible listed company and boosting the balanced development of economy, society and environment.

Xinhui CIMC Successfully Certified "Guangdong Industrial Design Center for Intermodal Transport Equipment"

Following the two provincial major qualification certifications on sci-tech innovation platform of "Guangdong Engineering and Technological Research Center" and "Guangdong Provincial Enterprise Technology Center" in 2014, Xinhui CIMC was again certified "Guangdong Industrial Design Center for Multimodal Transport Equipment", marking the leading role of Xinhui CIMC among the same industry within the province in terms of basic technology R&D and innovation, industrialization of scientific and technological achievements and industrial design capability. On August 11, Tan Jiebin, Director of Production Services of Guangdong Provincial Economic and Information Technology Commission, came with his group to visit Xinhui CIMC for inspection on the industrial design and technological innovation of Xinhui CIMC. Zhang Baoqing, Vice President of CIMC Group and General Manager of Xinhui CIMC, and Yao Gu, Deputy-General Manager of Xinhui CIMC as well as others hosted Director Tan Jiebin and his group.

At the exchange meeting, Xinhui CIMC made a report on its industrial design and technological innovation. Up to now, Xinhui CIMC has owned over 300 core product technologies and manufacturing technologies forming its continuous innovation into an industrial structure of multiply variety, series and layer, and employs design to drive innovation and R&D, improve technical advancement and enhance industrial design capability and platform construction; at the same time, in constant adherence to the innovative design philosophy of green and environmental protection and through interdisciplinary cooperation, Xinhui CIMC has achieved awards of Governor Cup on such categories as concept and industrial design, which has inspired its innovative impetus to such an extent as to achieve organic combination of manufacturing and service and transformation into manufacturing services.

Mr. Tan Jiebin expressed his congratulations to the award of Xinhui CIMC of "Guangdong Industrial Design Center for Multimodal Transport Equipment" with a hope that Xinhui CIMC would develop, based on the traditional manufacturing, such links as R&D and branding of high added value, technical content and profit, to strive to facilitate the design achievement transformation and contribute to the sustainable development by driving the surrounding related industrial development through enhanced production services.

Moreover, Mr. Tan Jiebin and his group visited the modular building exhibition district and the modular stand to experience at the first hand the industrial design and technological innovation capability of Xinhui CIMC.

Qingdao CIMC Reefer Container – Signing Ceremony of "Forward Stock Project" by Shanxi Taigang Succeeded

On August 10, the signing ceremony of "Qingdao CIMC Reefer Container – Taigang Forward Stock Project" in the cooperation among CIMC Group, QCRC, QCSR and Shanxi Taigang Stainless Steel Co., Ltd., was held in Qingdao CIMC Reefer Container. General Manager Liu Bin of Purchasing Management Department of CIMC Group, General Manager Zhang Zhifang of Shanxi Taigang Stainless Steel Co., Ltd., and General Manager Fan Pingyan of QCRC and QCSR attended the ceremony and signed the *Agreement on Establishing Forward Consignment Stock in Qingdao CIMC Reefer Container by Shanxi Taigang*.

Relying on the good partnership between CIMC and Taigang, "Qingdao CIMC Reefer Container – Taigang Forward Stock Project" is an innovative project of steel inventory control, which explores the established new production-supply-marketing relation by drawing on and improving the mode of operation in the consignment industry and on the basis of mutual benefits.

Debut of CIMC Reefer Container Pioneered "Reefer Containers of Mixed Green Foaming Agents"

With more attention globally paid to environmental protection, it makes sense that the environment-friendly foaming agent alternative of CIMC Reefer Container becomes the trend. Since January 2015, CIMC Reefer Container has been substituting CP environment-friendly foaming agents for 141b foaming agents. As CP foaming reefer containers are popularized and applied, however, the defects of rather serious heat leakage of the container bodies and more energy consumed during transportation become increasingly obvious. Many customers have proposed their expectations on better solutions.

Upholding the philosophy of "customer orientation and value creation", the technical team of QCRC conducted research on the problematic agents and strived to tackle technical problems, through which the team proposed a bold assumption that mixed foaming agent alternative should be applied. After verification via over half-a-year small batch experiments, combined with various performance testing results and cost impact statistics, the mix proportion was finally determined this June as recommended proposal for customers.

Compared with the traditional green foaming agent container bodies, the mixed green foaming agent container bodies pioneered by CIMC not only obviously improve the thermal insulation properties, but also effectively control the increase in transportation cost, to allow them to fully comply with the customers' requirements. Therefore, the mixed green foaming agent container bodies, upon recommendation, are recognized by such major customers as CRONOS, Triton, SeaCube, TAL and Hamburg-sud. By August, some 15,000 reefer containers of mixed green foaming agents have been manufactured and an application for a patent for invention has been filed.

It is expected that with the launch and application of the low-energy reefer containers of mixed green foaming agents, more and more customers will be ready to accept them and apply in large quantities afterwards. CIMC again delivers its solemn commitment as a responsible enterprise with practical action and innovative spirit.

Creation of "China-Europe Railway Container" by QCSR Promotes the Construction of "One Belt and One Road"

Recently, Qingdao CIMC Special Reefer Co., Ltd. (hereinafter referred to as "QCSR") seized the opportunity to launch a new reefer container product suitable for the China-Europe Railway transportation and leveraged the Intermodal Asia in Shanghai to have it successfully marketed. The display of this product drew immediate attention from many customers for its unique innovative design with considerate details.

QCSR named it "China-Europe Railway Container", featuring diesel generator sets and extra capacity of 800L fuel tank positioned in a separate insulating chamber to ensure no refueling stop during running for 20 consecutive days; the front wall of the insulating chamber is designed to be detachable for easy maintenance. The original advantages in the structure and functionality of the product lie in the design of its multi-functional insulating chamber by solving many difficulties, as shown in the following three aspects:

First Advantage: the cooler functioning well in an extremely cold environment of -50°C to avoid damage to cargos due to shutdown.

Under such an environment featuring vile weather and sharp diurnal temperature difference among the China-Europe Railway, even -40# fuel for the external fuel tank would be frozen and cause failure to the cooler. The QCSR designed product, however, ingeniously places the fuel tank within a separate insulating chamber and allows the fuel to fit the extremes of working environment through a temperature regulation device. -20# diesel is sufficient for normal operation even at -50°C or a lower temperature to avoid the risk of damage to cargos due to shutdown and reduce the cost of fuel consumption.

Second Advantage: protection against thefts and collision to guarantee transportation safety.

As the China-Europe Railway spans over 10,000km and it takes more than 15 days in each direction requiring many stops along the way and long period of time, thefts of fuel tanks take place from time to time. In addition, both the two track changes along the way are completed by lifting during which collision is hardly impossible to occur and is difficult for external fuel tanks to withstand. By contrast, the design of internal fuel tanks can avoid thefts and collision to the fuel tanks through the separate insulating chambers. Such design featuring protection against thefts and collision is particularly important for ensuring the safety of cargos during transportation.

Third Advantage: more parts designed for insulation to extend their useful time.

The separate insulating chamber is innovatively designed for carrying the fuel tanks as well as important wearing parts like fuel pump to greatly reduce the baneful influence from the extreme environment, safeguard the working performance of the components and parts, and extend their useful time.

At present, this product has obtained a patent licensing and is being under operation on the China-Europe Railway line. It is expected that in the coming three to five years, there will be more than 1,000 containers each year catering to the rapid growth in demand, enjoying a broad market prospect.

Debut of CIMC Vehicles in Russian Commercial Vehicle Exhibition 2015

On September 8, 2015, the Russian commercial vehicle exhibition Comstrans was opened at Crocus Expo Center Moscow, in which CIMC Vehicles took its debut in Russia.

The Russian commercial vehicle exhibition Comstrans, co-organized by MEDIAGLOBE (Russia) and German Munich Expo Company, is the largest and most authoritative exhibition for commercial vehicles in Russia and the former CIS countries, gathering here the global commercial vehicle manufacturers of famous brands every two years.

On this exhibition, CIMC Vehicles showed two products of curtain side truck and mixer truck tops, through which the determination of CIMC Vehicles to enter the Russian market is publicly conveyed. The cement mixer truck manufactured by CIMC Lingyu drew attention from customers from Russia and Central Asia, who expressed their intention to form related cooperation with CIMC and jointly develop Russian and surrounding markets. During the exhibition, CIMC Vehicles and the biggest logistics company in Russia agreed upon the subsequent cooperation intention.

Liangshan CIMC Dongyue Attended the 11th Exhibition of Special Purpose Vehicle Liangshan, China

On September 17, the opening ceremony of the 11th Exhibition of Special Purpose Vehicle Liangshan, China was held in the industrial park of Liangshan. As the leader in the industrial base of special purpose vehicle in China, Liangshan CIMC Dongyue was invited to attend the exhibition.

This exhibition was sponsored by China Association of Automobile Manufacturers and Shandong Association of Automobile Manufacturers, organized by Jining Association of Special Purpose Automobile Manufacturers and Liangshan Association of Special Purpose Automobile Manufacturers, and co-organized by China FAW and CNHTC. It was attended

CIMC Vehicles (Shandong) Co., Ltd. Prized with the 3rd Zhangqiu Mayor Quality Award

CIMC Enric Successfully Acquired the Equity of SOE

On August 27, CIMC ENRIC Holdings Limited signed a formal equity transfer agreement with the three shareholders of SINOPACIFIC Offshore & Engineering Co., Ltd. (SOE) (Evergreen Holding Group, SINOPACIFIC Shipbuilding Group and SOEG PTE. LTD.) at the headquarters of CIMC Group. Under this agreement, CIMC ENRIC acquired 63.31% equities of SOE with RMB443 million and plans to acquire the rest equities three years later.

Founded in 2006, SOE has always committed to the storage and transportation of offshore oil/natural gas, and R&D, design, construction and delivery of production equipment. It has now acquired leading design and manufacture capability for IMO C-type cargo tank, production design, manufacture and whole delivery capability for small and medium-sized LEG/LPG/LNG carrier's cargo system, and production design and manufacture capability for offshore oil and gas modules.

This acquisition will have a far-reaching strategic significance for the future development of CIMC ENRIC by improving its whole industry chain capability in the field of natural gas equipment and overall competition advantages.

For more details, see the special reports column.

Commencement Ceremony of the National Major Project "FSRU-LNG Re-gasification Module" Held in CIMC Enric

On October 15, the commencement ceremony of "FSRU-LNG Re-gasification Module Project (UY017)" by MIIT was held in the Qidong Base of CIMC Enric SOE.

FSRU-LNG is new equipment for transportation and storage of natural gas. The one developed by foreign companies, universities and research institutions is a "ship" for natural gas to be delivered to the users and is also used as an offshore terminal to supply natural gas ashore. It features the advantages that it can weaken the disadvantages of the terminal subject to the power plant, industrial district and densely populated district in the process of transportation, and bring about more economy and safety by reducing transportation costs and unloading times.

Key Technical Research and Development of Related Equipment for the Overall Design of FSRU-LNG Re-gasification Module is a scientific research project jointly applied by SOE and Shanghai RICHTECH International Engineering (Shanghai) Co., Ltd. and approved and funded in 2012 to achieve independent design and localization in the context that the national polices encourage key equipment R&D in the emerging and high-end industries.

"This scientific module is a national major scientific project and has vital significance for the industrialization of the national re-gasification equipment." Mr. Zhang Minghua, Director of SOE and Vice-president of Evergreen Group, said in the briefing, "The project will conduct design and construction in strict accordance with the standards for application products, and SOE will actively develop potential customers to promote the application of the scientific module into actual use".

At present, the project has entered the construction stage of the re-gasification module. SOE has worked with Shanghai RICHTECH to master a wide range of core technologies, which is the national initiative and marks the accomplished industrialization of independent design in the field of re-gasification LNG modules.

CIMC Enric Hosted Naming Ceremony for LNG Carrier "JS INEOS INTREPID"

On October 15, SINOPACIFIC Offshore & Engineering Co., Ltd. (CIMC ENRIC SOE), recently acquired by CIMC ENRIC, hosted a naming ceremony for its third 27,500m^3 LNG Carrier (S1017). Ms. Li Li, President of EIBC Shanghai Branch unveiled the new carrier "JS INEOS INTREPID".

It is co-constructed by CIMC ENRIC SOE and SSG in a contract order of 6, two of which have been delivered to the Denmark ship owner EVERGAS. The so named "JS INEOS INTREPID", the third of the series, will also be taken responsible for operation by INEOS. The carrier combines multiple innovative designs with LNG dual-fuel propelling system, and is provided with optimized ECO hull design plan to significantly reduce emissions and highlight the advantages of safety, environmental friendliness and efficient operation. The research and manufacturing of the carrier ensures the core position of CIMC ENRIC SOE in the global field of small and medium-sized LNG carrier equipment, and demonstrates the win-win results from CIMC ENRIC SOE and all partners at home and abroad.

General Manager Liu Chunfeng of CIMC ENRIC said in the naming ceremony that "it is the first naming ceremony after SOE officially joins CIMC ENRIC and we believe the powerful alliance between CIMC Group and Evergreen Group will inject more vitality and impetus to SOE and expand broader space for SOE development.

Indonesian PGN LNG Visited CIMC Enric to Discuss Cooperation on LNG Application

In early July, Mr. Mugiono, President of PT PGN LNG INDONESIA ("PGN LNG") came to CIMC Enric with his delegation to visit the manufacturing bases related to CIMC Enric LNG business and discuss with CIMC Enric about the cooperation on LNG application.

From the communications during the inspection on July 9, Mr. Mugiono was deeply interested in the solutions of CIMC Enric to LNG application, the project cases of TGE Company and the financial support means and successful cases of CIMC Financing Leasing platform. He said, he hoped that CIMC Group and CIMC Enric could be involved in their business development to provide package solutions including finance, and that the sophisticated product solutions from CIMC Enric and the financing services from CIMC could be

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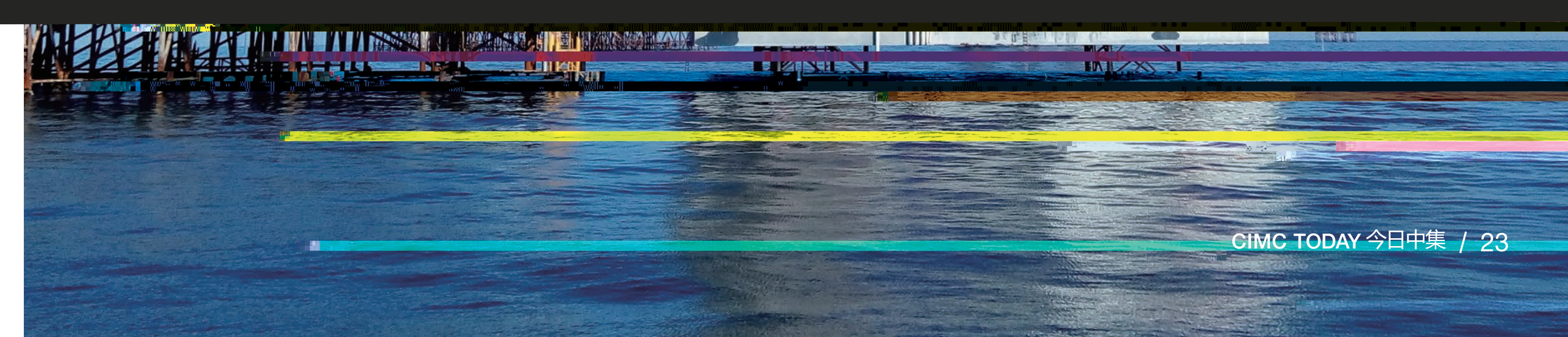


Trial Trip of China's First Arctic Semi-submersible Drilling Platform "North Dragon" Completed

The North Dragon, China's first semi-submersible drilling platform in the Arctic waters, which is constructed by CIMC Raffles, has completed all tasks of the trial trip and returned to Yantai Base on October 16, 2015. The trial trip only took 14 days.

During the trial trip, more than 200 people from CIMC Raffles, North Sea Rigs As, DNV, Siemens, Kongsberg teamed up to jointly complete the commissioning and inspection of 70 systems including PMS, DP, AGS, FMEA, etc.

Generally, there are less than 100 test items for DP and FMEA of the drilling platform with the third generation DPS. However, the number of test items of the North Dragon is 129, which is nearly 30% more than that of similar platforms in Singapore and Korea. Moreover, while the rules of DNV only require the test of failure of a single chamber, a test of failure of several chambers at the same time was conducted on the North Dragon to ensure accurate positioning of the platform, which will guarantee the redundancy and reliability of the platform to the greatest extent.

As the North Dragon employs GM4-D design, CIMC Raffles has 80% of independent knowledge property rights. GM4-D is designed by CIMC Raffles based on sea conditions of the North Sea in Norway and Barents Sea in the Arctic Circle and can withstand the hundred-year storm in the North sea. Stephen Adshead, General Manager of North Sea Rigs As (the owner), said, "the North Dragon reflects nearly 10 years of working on the design of harsh environment semisubmersible rigs that target the North Sea and is the representative of the latest generation in mature mainstream market of the North Sea. The rig is designed to perform complex operations required by oil companies".

The North Dragon is an iconic product that marks the stepping of China's design and construction of deepwater platform into a new development stage. The North Dragon is the first EPC deepwater semisubmersible drilling platform project of real significance in China including the responsibility for integration and trials of the platform. It marks the stepping of

CIMC Raffles Delivered Two 50,000t Semi-submersible Vessels

CIMC Raffles simultaneously delivered two 50,000t semi-submersible vessels to United Faith Group and Zhenhua Heavy Industries Co., Ltd. on July 17, 2015. These vessels, which will be operated by Jiahua Shipping (Hong Kong) Co., Ltd. after delivery, will departure to Batam Island to carry out a transport task for the Russian Yamal LNG project shortly.

The design concept of these two "sister vessels" is provided by United Faith Group and the basic design is completed by SDARI. CIMC Raffles completed the final assembly. Classified by ABS, both vessels have a length of 216m, a molded breadth of 43m, a molded depth of 13.35m, a design draught of 10m, a deck depth of 13m and a design speed of 13.5 knots. As the vessels are equipped with DP2 dynamic positioning system, unattended machinery space and all-moving tail buoyancy tank, they can meet the transportation requirement of large-scale offshore drilling platforms, large ships, gantry cranes, prefabricated module component and other ultra-long, ultra-heavy and ultra-large equipment and carry out offshore installation work, such as float-over installation, etc. Eight of offshore platforms constructed by CIMC Raffles are shipped by such semi-submersible vessels to all other places in the world for drilling operation.

Such vessels are conventionally powered by diesel engine with single skeg. Therefore, they are more reliable in performance, more convenient in operation and management and can reduce the fuel consumption when compared with semi-submersible vessels driven by other power. The vessels are designed with detachable buoyancy tank and funnel to facilitate the loading and unloading work. Two all-direction propellers are installed to provide dynamic positioning function as well as dynamic redundancy function which will keep the vessel at a safe speed not less than 7 knots in case of failure in the main engine.

The localization rate of equipment of both vessels reaches 87%. The all-direction propeller produced by Wuhan Marine Machinery Plant Co., Ltd. is adopted for the main propulsion system and the motor and frequency converter produced by CSR are first applied in the offshore project. These two semi-submersible vessels completed the trial trip in 16 days and 13 days respectively and domestic equipment worked well during the trial trip.

Commencement of Independently Designed "Shengli 90m Jack-up Drilling Rig" by CIMC Raffles

"Shengli 90m Jack-up Drilling Rig" constructed by CIMC Raffles for SSPE Offshore Drilling Company came into operation in the Yantai Base on July 16, 2015.

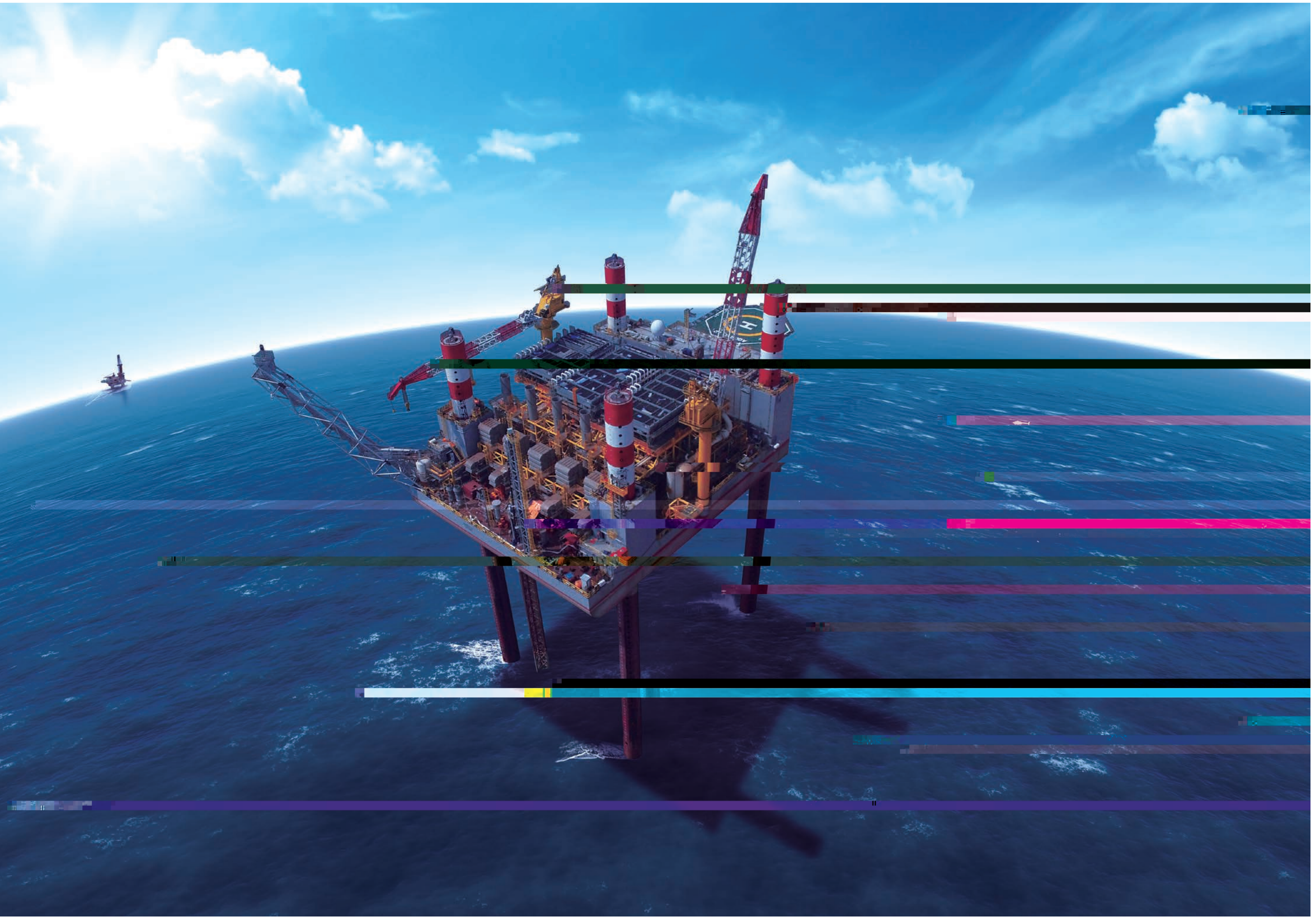
The basic design of the rig was independently completed by SINOPEC Shengli Petroleum Administration Drilling Technology Institute and detailed design, production design and final assembly were completed by CIMC Raffles. Classified by CCS, the rig can accommodate 120 people and be fit for drilling operation depth in range of 7–90.4m on a world scale, with a maximum operating water depth of 90.4m and a maximum drilling depth of 9,144m.

This rig is the second large offshore drilling rig project contracted by CIMC Raffles since the conclusion of strategic supplier cooperation agreement between SINOPEC and CIMC Raffles in 2012. Since "New Shengli #1", the first project, was put into operation in June 2014, it totally drilled 22 wells with a drilling footage of 45,279m, becoming the star rig of Shengli Offshore Drilling Company.

Shi Jiangang, Vice President of SSPE said that the construction of "Shengli 90m Jack-up Drilling Rig" achieved a "dual breakthrough" in the increase of depth of offshore drilling from 50m to 90m and the transformation from the pile leg structure to trussed structure, which laid a solid foundation for the set up of an offshore oil army that is "reasonable in form, structure and configuration of depth".

This rig is the seventeenth jack-up drilling rig constructed by CIMC Raffles. Ten jack-up drilling rigs previously delivered by CIMC Raffles have been put into operation in Bohai Bay, Persian Gulf and Caspian Sea.

CIMC Raffles Independently Designed "Dual fuel" Gas Compression Platform to Be Put into Operation in Mexican Waters



The jack-up gas compression platform AGOSTO-12 independently designed and constructed by CIMC Raffles for Coastal Contracts was named in Longkou Base on August 28, 2015 and will soon be put into operation in Mexican waters.

The platform employs the TAISUN200B design of CIMC Raffles with the overall length of 75m, the molded breadth of 50m, the maximum operating water depth of 55m, the air gap of 19m, the driving depth of 15m and the design wave of 16.5m. It is supported by four cylindric legs with lifting capacity of 3,200T per leg and sustaining capacity of 6,000T in storm. Therefore the platform can be operated under the harsh conditions of three-level hurricane (57.6m/s) in the Gulf of Mexico in summer and it has been classified by ABS.

The platform is independently designed by CIMC Raffles according to customer requirements. In order to meet the technical requirements, such as large water depth, harsh conditions, strong lifting capacity, the cylindric leg with the largest diameter in the world is designed, which is 112m in length and 4.5m in diameter. Meanwhile, the leg also integrates China's largest hydraulic pin-type lifting system designed and produced by Wuhan Marine Machinery Plant Co., Ltd. and employs the design of small shoes and large driving depth to improve the strength and facilitate the pulling. No ballast water will be preloaded for the exchange of diagonal legs during the pitching of pile, which will save 75% of preloading time when compared with the preloading time of single leg. With the purpose of meeting the requirement to dispose 200 million cubic feet of associated gas per day, a deck area equivalent to nine basketball courts is designed and 2,700t of gas treatment modules are arranged in a three-dimensional way, so as to solve the complex problem of pipe/electricity connection between the modules and the platform and integrate all parties to complete the system debugging of multi interfaces. The platform is equipped with environmentally friendly dual fuel engine which will take recycled associated gas of oil field as the fuel, thus effectively lowering the discharge of sulfide, significantly reducing environmental pollution and operation costs.

The platform also achieves a breakthrough in domestic supporting equipment and is provided with navigation system produced by Haihua Electronics Enterprise (China) Corporation, pump tower lifting device produced by Zhengzhou TSC Offshore Equipment Co., Ltd., lifeboats produced by

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A Delegation Led by Mayor of Hawaii Visited CIMC Logistics Plants

An 11-people delegation led by Mr. Kirk Caldwell, Mayor of Hawaii visited CIMC Logistics plants on October 14, 2015. Vice President Zhang Baoqing of CIMC Group and General Manager Liu Mingtian of Modern Logistics Company warmly received distinguished guests from afar.

The main theme of Mr. Kirk Caldwell's visit is to solve issues of providing shelters for tramps in Hawaii and constructing municipal stereo garages. CIMC Logistics made a full presentation of house containers in regard to successful cases and extensive use in various fields as well as professional solutions. Mr. Kirk Caldwell and other delegates spoke highly of the specialization and successful cases of CIMC house containers.

Later, they also visited the production workshop of CIMC Logistics plants.

CIMC Airport Northern Base Inauguration and Xinfa Airport Release Conference Held Successfully

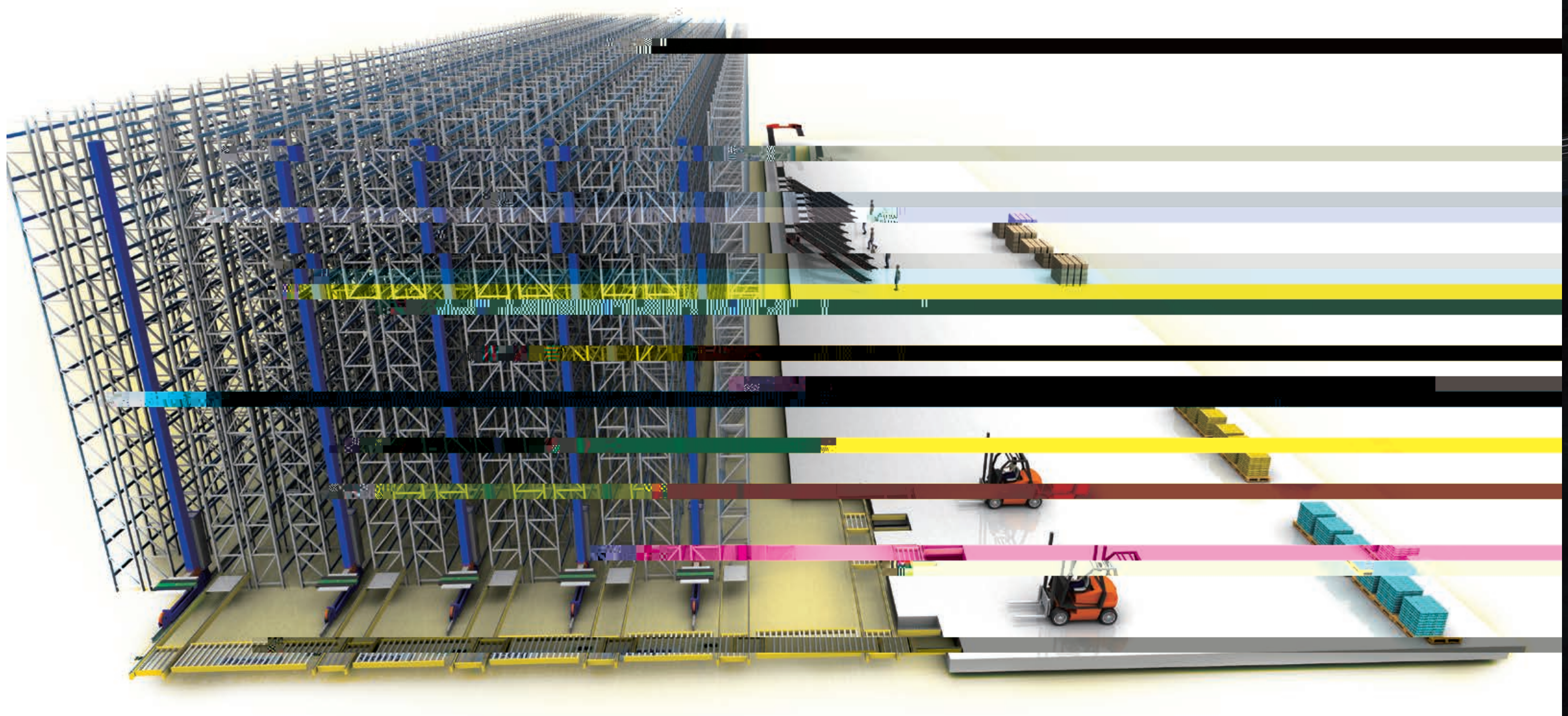
CIMC Airport Northern Base Inauguration and Xinfa Airport Release Conference themed "New Base, New Welfare, New Journey" was held in Dachang Chaobai River Economic Development Zone on October 22, 2015. Nearly 300 people from all levels of government, CIMC Group, China Fortune Land Development Co., Ltd., domestic and foreign airports and strategic partners of CIMC Airport attended the event. All guests shared the joys of new products release

CIMC Tianda Yunnan Dali Xinchu Logistics Park Stereoscopic Warehouse Project Successfully Completed

The stereoscopic warehouse built by CIMC Tianda Logistics System Engineering Co., Ltd. in the Yunnan Dali Xinchu Logistics Park was checked and accepted on July 14. Having examined the project documentation, project quality and the performance indexes of the deliverables, the inspection team granted their approval, concluding that the project was completed properly in compliance with the contract and all relevant standards with reliable quality.

Situated in an earthquake-prone (magnitude 8) area, the 30-meter-high warehouse is exposed to high technical and installation risks. However, relying on more than 20 years' experience in logistics equipment industry, based on modular product, adopting advanced finite element analysis, and through carefully conducting erection trials at our own facility and strict installation quality control on site, we have overcome the difficulties in manufacturing and commissioning ultra-high stockers and successfully achieved our goals.

At the project inspection & acceptance meeting, the builder, supervisor and the expert team repeatedly praised CIMC Tianda's quality products and technology, and the customer said that our project team is very active and excellent; they responded to the customer's questions and solved them professionally and timely and they hoped that this project could set up a good example for our further cooperation in the future.



Xinhui "CIMC Think Tank" Investment Invitation Exhibition Center Opened

On October 26, the Investment Invitation Exhibition Center of "CIMC Modular Building Institute" (name for foreign investment promotion: Xinhui "CIMC Think Tank") opened. More than 100 people visited the exhibition center, including major leaders of Xinhui district party committee and government and representatives from subsidiaries of CIMC Group in Jiangmen, cooperative enterprises, to-be-entered enterprises, chamber of commerce, financial sector and main media. Zhang Baoqing, vice president of CIMC Group, attended the event and delivered a speech.

Xinhui "CIMC Think Tank" project is invested by CIMC Modular Building Design and Research Co., Ltd. that is co-funded by CIMC Industry & City Group and CIMC Container Holdings Limited. The project is positioned as the "CIMC Modular Building Industry Park". In addition, high-tech industries like intelligent equipment, laser, mobile internet and latest electronic information will be introduced.

Located at the heart of Xinhui Nanxin District, the project covers an area of 50mu and the total floor space is about 110,000 square meters, which is another new masterpiece produced by CIMC Industry & City Group after the completion of a series of industry parks in Shenzhen, Shanghai, Qingdao and Dongguan. The planned properties primarily comprise industry office, townhouse, SOHO apartment and matching commercial facilities, so the project will likely become a new name card of industry office in Jiangmen.

CIMC Cloud Startup Company Held Unveiling Ceremony

On September 8, the unveiling ceremony of CIMC Cloud Startup Industrial Park Investment Management Co., Ltd. and the first meeting of the First Board of Directors was held at the CIMC Intelligence Valley, Songshan Lake, Dongguan.

The 6 board members of CIMC Cloud Startup Company, namely, Qin Gang, President Assistant of CIMC Group, Zhang Li, General Manager of CIMC Finance Company Limited, Wei Jun, Deputy General Manager of CIMC Industry & City Development Group Co., Ltd. (CIMC Industry & City), Gu Jianyu, President of Xiamen Hongxin Group, Lin Shuang, Executive Deputy General Manager of Dongguan SSL Holding and Chen Xiaodong, General Manager of CIMC Cloud Startup Company jointly unveiled the curtain for the Company. As the red curtain was slowly drawn apart, CIMC Cloud Startup Company officially started its operation after two years' preparations. Afterwards, the board members attended the first meeting of the First Board of Directors at the multi-function hall of CIMC Intelligence Valley.

On May 28, the Release of CIMC Industry & City cloud startup service platform and the signing ceremony of strategic agreement with the first batch of enterprises and platforms in the industrial park was held at the CIMC Intelligence Valley. CIMC Cloud Startup Company is an industrial ecosphere service platform jointly built by CIMC Industry & City Group, Xiamen Hongxin Group and SSL Holding. Through integrating its superior resources, CIMC focuses on providing consulting service in respect of industrial park, strategy and finance for 6 major industries ("Industry 4.0" intelligent equipment, new energy, offshore industry, mobile internet, finance and massive health) integrates superior resources.

In the future, CIMC will focus on the construction of "CIMC Cloud Startup" so as to provide all-round superb services for the proposal of "encouraging people to do business creatively and drive innovation".

C&C Trucks and Ziegler Jointly Attended China Fire Protection Exhibition

On October 20, following the world's largest fire protection exhibition INTERSCHUTZ held in June, C&C Trucks and Ziegler showed up at China Fire Protection Exhibition 2015 with their jointly-developed multi-functional urban fire truck.

Co-developed by Ziegler and C&C Trucks according to German standards, the fire truck exhibited adopts the chassis of C&C Trucks fire truck. It is currently the only home-made fire truck chassis used by the world's leading fire truck manufacturers. Although it is an emerging heavy truck manufacturer in China, the fire truck produced by C&C Trucks has turned out to be equally competitive in European market. Fire pump, fire monitor and relating fire equipment manufactured by Ziegler enjoy century-old reputation for high quality; as for the most important aspect of dynamic performance, the sophisticated application of combined-power low-speed high-torque technology allows the fire truck to handle various kinds of emergencies in case of equivalent displacement and power.

This exhibition was attended by 601 manufacturers and scientific research, testing and certification institutions from 20 countries and regions. Different kinds of new fire trucks, emergency rescue equipment, firefighter's personal equipment and fire alarm equipment, fire control equipment and fire prevention materials were on display. Meanwhile, several new fire control technologies were showcased along with 230 fire trucks.

Benefited from the robust strength of CIMC and Chinese fire protection and ample market resources, the prospect of this multifunctional fire truck is promising.

C&C Trucks Attended COMTRANS 2015

COMTRANS 2015 took place in Moscow between September 8 and 12, at which 6X4 CNG produced by C&C Trucks was drawing widespread attention.

Russia is rich in natural gas and Russian government is actively promoting the use of natural gas-driven vehicles, for which C&C Trucks is eyeing Russian market. At this exhibition, only C&C Trucks and Scania displayed natural gas vehicle. Currently, 6X4 CNG dumper truck has passed OTTC certification. Visitors and peers present at this event were impressed by the quality of C&C Trucks and a few prospective buyers showed great interest in traction vehicle.

COMTRANS is co-organized by MEDIA GLOBE (Russia) and MMG and held biennially at Crocus Expo International Exhibition Center in Moscow. It runs for 14 years till now. It is the largest and most industry-influential event in Russia and CSI countries. Each year, many world-famous commercial vehicle manufacturers gather here.

CIMC Enric Accelerated Construction of Marine-Terrestrial Natural Gas Equipment Industry Chain

CIMC Enric acquired SINOPACIFIC Offshore & Engineering Co., Ltd. (SOE) in August. This is another significant strategic capital operation following the takeover of Nanjing Yangzi Petrochemical Design Engineering Company Ltd. (YPDI), Sichuan Jinke Cryogenic Equipment Engineering Co., Ltd. and Liaoning Hashenleng LNG Equipment Co., Ltd.

Mai Boliang, President of CIMC Group pointed out this project marks good beginning for the cooperation between CIMC Group and Evergreen Group, and that the two companies will welcome more and better opportunities in the future. He says, "CIMC Group will provide all kinds of support for the cooperation between CIMC Enric and Evergreen Group, hoping both sides will work together to set out more aggressive work objectives and use concrete measures and performance to prove the correctness of today's decision. The future prospect of SOE will be promising."

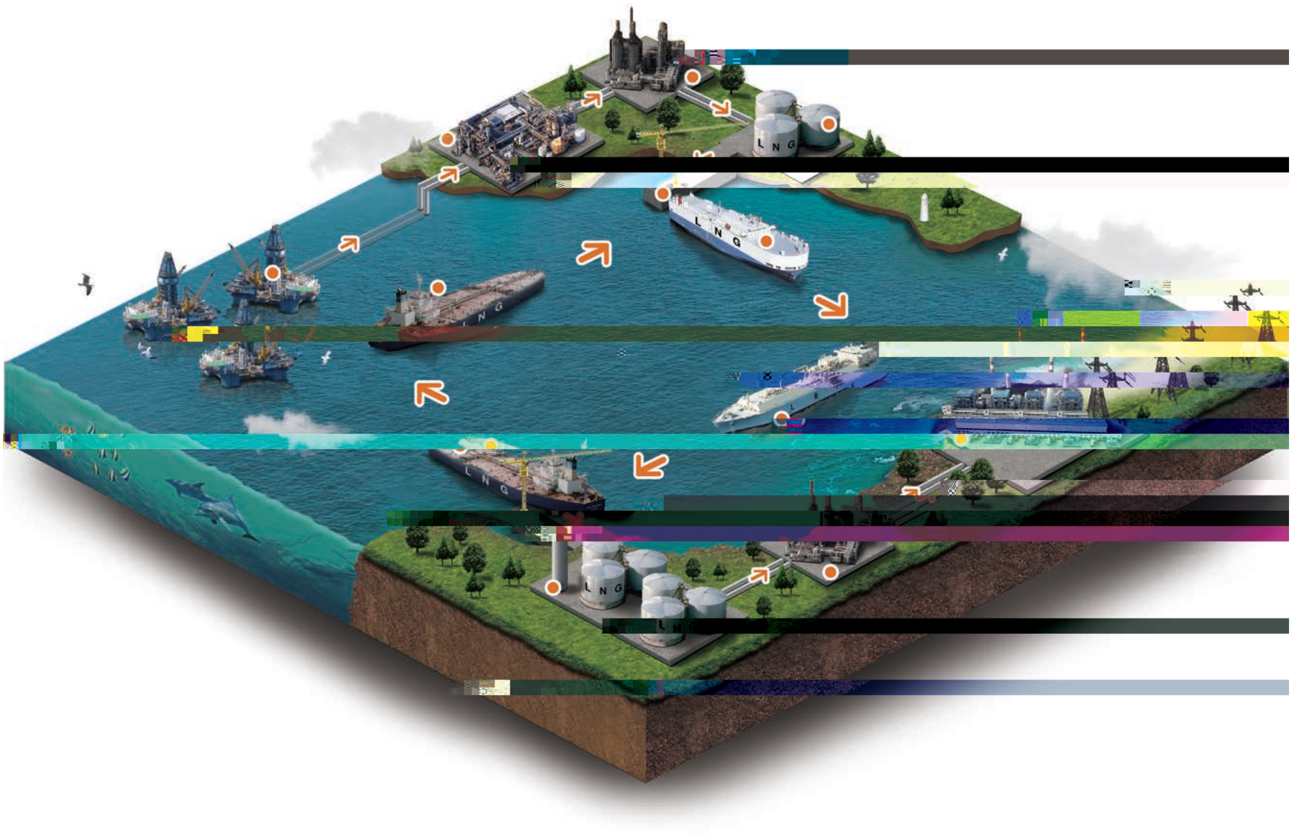
Meanwhile, this acquisition will help CIMC step up the construction of marine-terrestrial natural gas equipment manufacturing and engineering service capability and improve overall competitiveness, which is of great strategic significance for the future development of CIME Enric.

SOE: the world's leading LNG ship manufacturer

SEO enjoys impressive performance and market advantages in offshore oil/natural gas storage and transportation and production equipment R&D, design and construction. It has established good partnership with TOTAL, Technip. Hamworthy, Saipem, Hartmann, Eleston and other international leading oil and gas companies, shipowners, logistic firms.

As the world's leading manufacturer of small-and-medium-size LNG ships (ethylene/LPG/LNG ships), SEO owns advanced liquid cargo tank design and manufacturing technology. So far, it has delivered 16 small-and-medium-size LNG carrier ships. It now gets orders of 20 ships, ranking second in the world in the number of orders.

Meanwhile, SEO is a leading enterprise in offshore oil & gas module (FPSO topside module, FSRU regasification module, etc). In particular, as for the construction technology of FPSO topside module, SEO has spent more than two years



passing the certification of the quality system of TOTAL, one of the world's four largest petrochemical enterprises, making it China's first qualified supplier in FPSO module for TOTAL (two suppliers in total at present); it becomes one of the qualified suppliers in energy and steel structure for Technip.

Cooperation: strong-strong alliance with enhanced advantages

Since its establishment, CIMC Enric has been dedicated to developing energy equipment and engineering services, forming a comprehensive industry chain in LNG/CNG on the land. As for natural gas industry on the water, there remains an improvement in C-type tank basic design, technology and mass production though CIMC Enric undertook the project of two 7,000-m^3 C tanks of 14,000-m^3 LNG carrier ship in 2015, which was the first LNG carrier ship independently designed and built by CIMC Enric.

The joining of SEO has effectively solved CIMC Enric's defects in C-type tank, system design and ship building and improved overall capability in offshore, ship equipment R&D, manufacturing and EPC services, extending the Company's LNG equipment manufacturing business on the land to offshore area and consolidating its advantage and leading position in LNG equipment manufacturing. Meanwhile, it accelerates the construction of marine-terrestrial natural gas equipment manufacturing and engineering service capability to boost its overall competitiveness.

For SEO, CIMC Enric injects new blood into the development of SEO in funds, management system, energy market and talents, solves its bottleneck and promotes future business development.

More importantly, both companies have a high level of consensus on the strategic direction of developing natural gas industry on the water. Despite oil price decline and gas price rise, clean energy industry like natural gas will fare well in the mid and long term due to concerns over hazy weather.

Therefore, this acquisition is an excellent example of strong-strong alliance.

Outlook: synergetic development for a better future

Gao Xiang, Chairman of CIMC Enric said at the signing ceremony that CIMC Enric will provide all-around support for SEO to achieve synergic development, and jointly build a bright future and lay a more solid foundation for future development.

Liu Chunfeng, General Manager of CIMC Enric also pointed out that the acquisition is aligned with the guideline of national energy industry development and will help both companies to build a comprehensive industry chain of natural gas, so it is of strategic significance; he also stressed CIMC Enric is confident to assimilate SEO and joins hands with Evergreen Group to make SEO bigger and stronger.

"The partnership will unveil the chapter of cooperation between CIMC Group and Evergreen Group." Liang Xiaolei, Chairman of Evergreen Group, says, "I believe our joint efforts will result in synergetic benefits of 1 + 1>2 and even 1 + 1>3 and bring new opportunity for SEO."

经济视野 文化追求

深圳商报

SHENZHEN ECONOMIC DAILY

深圳报业集团主管、主办 深圳商报社出版

Series Report of "Salute to Entrepreneurs" for Celebrating the 35th Anniversary of Shenzhen Special Zone

Mai Boliang: Pursuing the Dream of "To be World No. 1"

By Tan Lingjuan from Shenzhen Economic Daily

Whenever Mai Boliang is recalled, many people think this president who has served CIMC for over 20 years is an old man. In fact, he is only 56 years old.

Joining CIMC after graduation from the college and taking office as President at his age of 32, Mai Boliang led CIMC to blaze its way forward through all the difficulties from a failing small business and finally become a leading enterprise in equipment manufacturing industry in China and even in the world leader. And he can be considered among the first professional managers since China's reform and opening up. Experiencing many vicissitudes during his 30 years of service for CIMC, Mai Boliang has integrated his lifetime career with the development of CIMC.

Looking back at the history, CIMC under the leadership of Mai Boliang has always stood at the forefront of the era of innovation and transform. Based on the principle of "developing a solid manufacturing industry", CIMC, by giving play to the advantages of large company and large platform, has integrated both domestic and foreign resources and shaped a pattern of comprehensively advancing to the new fields such as modern service industry and industry incubation platform in its multiple business sectors. Currently, CIMC has had its financial leasing business, CIMC Park, CIMC Vehicle Park and the like business modes deployed across the country. The reporter from Shenzhen Economic Daily has learned that as located in Qianhai Area in Guangdong Free Trade Zone, CIMC, as a leading enterprise in domestic high-end ocean engineering industry, intends to pioneer in creating an international marine financial services center by combining international capitals and external advantageous resources and by virtue of various favorable policies for Guangdong FTZ Qianhai Shekou Area, to fuel the construction of a powerful marine economic city of Shenzhen and the creation of bridgehead for the "One Belt One Road".

Although Mai Boliang was absent in the foundation of CIMC, it was young Mai that in the most difficult time of CIMC led the remaining 59 people to continue the production, and with the dream of "to be world No. 1", made CIMC among China's international large enterprises over 20 years later. And CIMC's several businesses including containers and airport equipment rank world No. 1, and its overall business involves eight segments with annual revenues of over 70 billion yuan. Today, Mai Boliang further develops a grand strategic layout for the next three to five years of CIMC, with the goal of realizing revenues of 100 billion yuan to 120 billion yuan. Mai Boliang revealed that CIMC enjoys the advantage of global resources integration, for "global resource integration is the future trend of development. Among the domestic players, CIMC is the first enterprise carrying out the globalization and so is an enterprise with the best foundation in integrating global resources. That is the direction of our future development and our advantage."

Our oath: determined to be "world No. 1 in container industry"

Mai Boliang has been always full of gratitude towards China's reform and opening up. As one of the first university graduates after the resuming of college entrance examinations, he was attracted by the wave of reform to come to Shenzhen and joined the newly established CIMC accidentally (a joint venture founded in 1980 and funded by China Merchants Group and East Asiatic Company, each having a 50% stock while the latter has the managerial authority), there beginning his the development together with the Shenzhen Special Economic Zone.

Mai Boliang graduated from South China University of Technology in February 1982, waiting for assignment for work at the very beginning in a labor service company in Shekou Industrial Zone. At that time there were not many workers with technical knowledge in CIMC, and so technicians were dispatched from foreign companies for core technologies. "Then CIMC needed to provide quotes and prepare technical specifications and drawings, but no one knew how to do that. So I was called up for help. After I worked there for one week, Mosca, the General Manager of CIMC, asked if I could stay there. All right, I would stay." Mr. Mai recalled.

In addition to lack of materials and experience, the lack of technology was the most challenge for then CIMC. The university graduate Mai unexpectedly became the only engineer in the technology department of CIMC. Once the imported equipment broke down, and the dispatch of foreign technicians to CIMC took time, unable to meet the production demand of CIMC. In such case, Mai, the only one in the Company with certain technical background, was forced to have a try. Supported by certain fillip, Mai spent a few days to dismantle the machine while pondering its mechanical principles, and finally it was successfully repaired. Since then, Mai moved out to lead the CIMC people to carry out the research and development of container; starting from the study of the foreign design drawings, followed by the drawing one stroke by one stroke with a template, the most primitive container localization process there began by Mai's indigenous approach. And soon, the first container was finally produced in the primitive plant of CIMC.

The background of CIMC as a joint venture allows the enterprise to be closely related to the market and reform since its foundation. Without the national umbrella was the most companies had and exposed to the market with both opportunities and risks, the nascent CIMC soon was almost knocked over by the big waves in the market, and the sluggish international shipping market had this joint venture experiencing breathtaking adventures repeatedly. In 1986, the Company was on the verge of bankruptcy, and the foreign party withdrawn all their resources... To retain the last hope for survival, only 59 people among hundreds of employees were retained, and Mai was the very person that was delegated to preside over the layoffs because of his good relationship with the Chinese party and the foreign party. After experiencing all that, Mai led the remaining 59 people to continue the production and became one of the core members, though he was young. Mai Boliang said that "the development of CIMC can be divided into several stages; the first stage is the survival stage for the 59 people, and another one is to be the world's No. 1." Even in the survival stage, Mai at his age of only 27 had vowed to "be world No. 1".

It was in 1991 that CIMC made a clear definition of its goal of "to be world No. 1". In that period Mai always paid a close attention to the development trend of the international shipping market. "We knew clearly that the manufacturing of containers on a global scale would be transferred to China, though at that time Korea ranked global No. 1 and its market share even exceeded 60% at its best time. We were lucky to see that not a large enterprise group had then taken obvious actions to deal with the transfer of container industry. So we took action from 1991. In the third year, the South Korean company came and operated the container plants in China, but it was two years later than us. Too late." said Mr. Mai.

A decision to make: giving up the identity of cadre for the career

In 1986, a life or death moment of CIMC, the Company welcomed a historic turning point in operation in November after three months of hard work of the 59 people including Mai Boliang, and its products accessed to the Hong Kong market and turned the first profit. At the same time, after the several years of reform, the increasing export volume resulted in the demand on containers from China's container shipping business. More importantly, CIMC attracted the investment from COSCO Group and then was reorganized into a tripartite joint venture funded by China Merchants Group, COSCO and East Asiatic Company. COSCO became helpful quickly in acquiring orders.

After the reorganization, COSCO and China Merchants Group held the shares of 45 percent respectively of the Company, and with this balanced ownership structure, the two state-owned shareholders were able to put restraints on each other, avoiding arbitrary decision making by any dominant shareholder and ensuring scientific decision-making of the Board of Directors. According to researchers, then most of the state-owned enterprises were the "agent" delegated by major shareholders, which actually represented the interests of such major shareholders, rather than those of the enterprise itself, and so that the major shareholder encroaching upon the interest of minor shareholders was very common. The balanced shareholding by two major shareholders of CIMC well solved this shortcoming, and in consideration of the interests of both sides, they turned to professional manager for management. And Mai Boliang naturally was the overwhelming choice.

However, for Mr. Mai himself, things were not so simple. Mai Boliang initially was the person delegated by China Merchants Group, and in 1992 served as acting general manager. COSCO was satisfied with the performance of Mr. Mai, though he was delegated by China Merchants Group, and arguably at the end of the 3-year office term of Mr. Mai, another representative should be sent by COSCO, which, however, was harmful for the enterprise. Therefore, COSCO presented that if to have Mr. Mai taking office of President for long term, Mr. Mai should be broken off China Merchants Group, which means Mr. Mai should give up the identity of cadre assigned by the state to become a fully independent professional manager.

This seemingly simple choice, however, means a gap of more than ten times of remuneration for Mr. Mai. If he continued to choose to be the expatriate cadre of China Merchants Group, he would enjoy monthly salary of 6,000 yuan, or if he chose to remain in CIMC serving as the President, only 400 yuan or so would be paid each month. Faced a gap between 6,000 yuan and 400 yuan, selection preference would be obvious at any time for most people. Thus, it could be considered a very big challenge for Mr. Mai. Most people thought that Mr. Mai would not be such fool as to give up the good money and the identity of national expatriate cadre and tie his individual fate to the then small CIMC of great uncertainty.

In an interview with the reporter from Shenzhen Economic Daily, Mai Boliang frankly said that in fact, the choice for him was very simple. "I came home and talked over it with my wife in the evening. We two shared a consistent opinion. She backed whatever I chose, and I myself would certainly choose CIMC, the platform providing me with a career rather than just a job." The then CIMC with a total asset of only one to two hundred million yuan had been already considered to be the optimal platform by Mr. Mai to develop the enterprise into the world No. 1 in container industry and revitalize China's equipment manufacturing industry. 20 years later, Mai Boliang is still enthusiastic when recalling that smart choice made when he was young, and said that "for me, the dream is very important." Giving up the status of a cadre of the state-owned China Merchants Group, Mr. Mai seized the development trend and chose to become a professional manager; through years of his unremitting efforts, he eventually becomes the leading entrepreneur in the industry.

Ascending the summit: the container mighty makes early transform and upgrade

CIMC since then drove to an accelerating lane of development along with the rapid development of Shenzhen, the frontier city for reform and opening up. Global manufacturing center and export goods distribution center

the Company's business revenue records more than 70 billion yuan

70 billion

were shifting to Asia, especially to China, and the growing export demand in the Pearl River Delta brought in the booming of China's shipping industry as well as over ten years of golden period of development of CIMC container undertakings. Data show that in 1979 China's container terminal throughput capacity was of only 740,000 TEUs, and in 2004, the throughput had risen to 115.49 million TEUs. And in 2007, only three years later, the Chinese shipping industry crested the ridge.

In 1994, CIMC was listed, and in the following 10 years created the myth of a listed company, bringing dozens of times of wealth for its investors. In 2004 alone, its sales revenue rose to 26.568 billion yuan, up by 92.52 percent YOY, and realized net profit of 2.389 billion yuan, up by 249.94% YOY. It produced 1.64 million TEUs and sold 1.57 million TEUs in the same year, while the global demand was only 3 million TEUs. And within the 10 years from 1994 to 2005, its market share went up from 6% to 55%, over half of the global container industry, and CIMC led the market to shift from buyer's market to seller's market. The rising of CIMC together with Singamas Container Holdings Limited, another container manufacturer, shaped a duopoly pattern in the container manufacturing industry, which had never been seen in the 50 years of the development of container industry, and it was the industry myth created by CIMC, as commented by people.

Mai Boliang acted during that period just like a captain, commanding the ship of CIMC to defeat all difficulties all the way. Since 1993, by successively acquiring the container companies including Dalian Container Terminal, Nantong Shunda, Xinhui Dali, Qingdao Hyundai, Shanghai Far East, Tianjin Beiyang and Shanghai Baowei, CIMC has made its container business present in the northeast, North China, East China and South China, while by taking over the Germany and UK companies, it introduced and acquired core technologies such as refrigerated container and tank container technologies. "To make the easiest product to be extraordinary", every step has shown the remarkable foresight of Mr. Mai.

The successful achievements in the field of containers facilitate the realization of the dream of "to be world No. 1" of Mr. Mai, but yet his pursuit will never stop there. Since 2000, CIMC began to consider from the strategic development to gradually lower the dependence on container business while targeting at the opportunities from other equipment manufacturing sectors. There went the diversified development of CIMC. Under the leadership of Mr. Mai, CIMC had its presence in the road transport vehicle business in 2002 and then the natural gas equipment, marine engineering equipment and other areas from 2008 onwards, and with great efforts put on cross-border mergers and acquisitions, technology breakthroughs, management optimization and personnel training all the way, it even has had such well known century-old enterprises as German Ziegler and ZIEMANN listed in its group structure. Moreover, the several business segments gradually develop into an independent one with the great contribution of its concise and efficient advanced management mode. The 2014 performance report indicated that CIMC has continuously accelerated its transformation and upgrading, and a group of emerging industries in line with national strategic planning, represented by high-end marine equipment manufacturing, energy and chemical equipment, modern logistics and financial services, goes up rapidly; the proportion of its business revenue of containers has a steady decline to around one-third while the container market share is kept unchanged; the Company's business revenue records more than 70 billion yuan. The transformation and upgrade of CIMC Group can be called one of the templates for Shenzhen traditional industries.

Mr. Mai's creative thinking still keeps active even after CIMC has powerfully entered into multiple industries, and more than 10 major products have now led the world. Relying on the customer resources and mutual trust accumulated in past many years as well as the financial advantages of CIMC, Mr. Mai has originally applied the mode of "financial lease" in the past two years for our customers to meet their demand for container vessels. As a resource integration operator providing shipbuilding, technology, capital, services and other resources, CIMC has one-stop service available for customers, and in turn it has won the favor of such international shipping mighty as CMA CGM, Mediterranean Shipping Company. That can be considered a big step in the innovation of China's shipbuilding industry business mode. Mr. Mai said to the reporter with unconcealed pride that "this thing has not ever been practiced internationally, and also is difficult to copy. This contributes to the trust of our customers we gain during the development of CIMC in the past 30 years."

Presence in offshore segment: offshore segment starts the "Tomorrow of CIMC"

In the process of advancing to the diversified businesses, the offshore segment is the toughest one to be conquered in the opinion of Mr. Mai while also bearing the greatest expectation from Mr. Mai, called as the "Tomorrow of CIMC". This is the high-end equipment manufacturing industry in the true sense, so having the most technological difficulties and greatest international competitive pressure and demanding the largest investment funds. Yet for CIMC, to enter the offshore segment is meaningful if it desires to achieve industrial upgrading and really stand in the pinnacle of manufacturing industry, though much rough.

Mr. Mai said to the reporter that within 10 years after 2004 when he was named the CCTV China Economic Annual Figure, he has been very low key and dare not to communicate with the public and the media, for which the important reason was that the offshore segment had not yet been successful, but suffering a huge loss of 3 billion yuan in 5 years, though he believed that result was normal in the marine area, and he had the confidence for ultimate success. In 2014, after five years of exploration and hardships of the pioneering period, CIMC's offshore segment finally achieved profitability year on year, bringing in the unlimited imagination space for the future of CIMC. Mr. Mai emotionally revealed to the reporter that "the cost of a drilling platform is four to five billion yuan, much expensive compared with large aircraft, but the latter has the support from the state while we only depend on ourselves. We followed the rules of the market and worked hard to learn and compete, and both the success of large aircraft and drilling platform can only result in exploring both in the air and the sea' for the state and the leap development of China's manufacturing industry." That was Mr. Mai's ambition for revitalization of China's manufacturing industry, surely.

Now CIMC's drilling platform has operated in the North Sea and South China Sea, and its performance has won great favor from both international and domestic customers as well as orders. Since October 2010, CIMC Raffles has successfully delivered nine deep-water semi-submersible platform and nine jackups, and its products have their presence in the major oil and gas producing areas like North Sea, Brazil, West Africa and Gulf of Mexico. Among those products, COSL series semi-submersible drilling rig operating in North Sea in Norwegian ranks No. 1 in terms of comprehensive performance for seven times, so widely accepted among the major international customers. Only in the year of 2014, CIMC Raffles secured a total of USD1.121 billion of orders, and the orders in hand totaled about USD5 billion, including five deep-water semi-submersible drilling platform, and accounting for 22% of global market share of deep-water semi-submersible drilling platform. Holding such excellent performance, Mr. Mai joked that he could finally stand up and face the public.

According to the forecast of authoritative organizations, the average annual global investment in offshore oil and gas development during 2013 and 2018 will be more than USD327 billion, of which, the annual market demand for marine equipment is USD65 billion to USD81 billion. There is much room awaiting for CIMC in the high-end marine equipment market.

2015 is the year to accelerate the implementation of national "Internet" strategy, China manufacture 2025 and "One Belt One Road" strategy. In this new era, the development of the national economy depends on Industry 4.0 or the fourth industrial revolution which integrate the manufacturing industry and the Internet. CIMC certainly does not stop exploration and innovation; the projects including CIMC DreamWorks, heavy truck modern production line and green oasis plant represented by automate production, robotics and laser processing technologies have been decided. At the same time, new business areas are also actively explored; at the end of 2014, CIMC set up CIMC e-business and was kicking the tires of the O2O public logistics platform business, and the latter now has been accelerated. A number of research institutions believed that, the development of CIMC e-business has two strategic significances, one is to deeply explore the community O2O application and eventually develop it into a community platform of high flow, numerous services and great viscosity; the other one is to shift the logistics services from traditional logistics to modern logistics. CIMC e-business is the beneficial exploration and sublimation of CIMC's entrepreneurship and management culture.