

參加造修船合約管理研討會並順道拜會船東、造修船經紀商以及海事律師出國報告

修船廠闕傑廠長 業務處沈康生
2007.11

報告內容

- 造船市場概況及未來之預測
 - Howe Robinson
 - Braemar Seascope
- 造修船合約管理研討會
 - Comparison of Standard Forms of Shipbuilding Contract
- 關於修船合約之探討
- 拜會英國倫敦、希臘雅典與德國漢堡地區之船東、船舶經紀商與海事律師
- 推廣CSBC NPCV 新船設計
- 結論

行程與任務分派

2007.10.09	啟程
2007.10.10	拜會倫敦地區船舶經紀商聽取簡報與討論 1.HHP 2.Howe Robinson 3. Braemar Seascope
2007.10.11-12	●參加Shipbuilding and Shiprepair Contract Management Seminar ●與CDG律師會面晚餐
2007.10.13	沈員拜會海事律師CDG 闕廠長轉赴希臘雅典
2007.10.14	路程(沈員赴德國漢堡)
2007.10.15-16	闕廠長拜會希臘地區船東與修船經紀商 ● George Moundreas & Company S.A. ● A.P. & A. Shipping Ltd. ● Chirs Marine S.A. ● Technomar Shipping Inc. 沈員10/15拜會漢堡地區船東與修船經紀商 ● W. Moller ● Ernst Russ ● CombiTrade(修船經紀商) ● Peter Dohle 沈員10/16啟程返國
2007.10.17	闕廠長啟程返國

造船市場概況及未來之預測

拜會倫敦地區船舶經紀商Howe Robinson及Braemar Seascope

Howe Robinson/London



Howe Robinson and Co. Ltd.
The Containership Market
10th October 2007
CSBC

HOWE ROBINSON AND CO. LTD.

GDP (Constant Price) v. Container Growth

	GDP	Cont	Multiple
2002	+2.0%	+12.0%	x 6.0
2003	+2.5%	+15.0%	x 6.0
2004	+3.8%	+15.0%	x 4.0
2005	+3.5%	+10.5%	x 3.0
2006 e	+3.8%	+11.5%	x 3.0
2007 f	+3.2%	+11.0%	x 3.4
2008 f	+3.5%	+11.0%	x 3.1

HOWE ROBINSON AND Co. LTD.

Supply/Demand 2008

Trade	East/ West	North/ South	Other	Total
Dom Trade 2007	32,019,072	25,438,835	70,611,257	128,069,163
Demand Growth	10.6%	10.5%	11.0%	11.0%
Additional Moves	3,391,702	2,671,078	7,767,238	13,830,018
Av. Voyage Time	47	43	15	
Voy. Per Year	7.7	8	24	
Utilisation	88%	75%	75%	
Capacity Req.	543,556	419,567	425,602	1,388,725
Deployment	925000	387500	187500	1500000
Scrapping	10000	20000	20000	50,000
Oversupply	371,444	-52,067	-258,102	61,275

Oversupply = 0.75%

HOWE ROBINSON AND Co. LTD.

Supply/Demand 2009

Trade	East/ West	North/ South	Other	Total
Dom Trade 2008	35,870,592	28,109,913	78,378,495	142,358,999
Demand Growth	10.0%	10.5%	10.5%	10.7%
Additional Moves	3,891,323	2,951,541	8,229,742	15,072,606
Av. Voyage Time	48	43	15	
Voy. Per Year	7.7	8	24	
Utilisation	88%	75%	75%	
Capacity Req.	614,363	463,621	450,945	1,528,929
Deployment	1025000	375000	130000	1530000
Scrapping	0	20000	25000	45,000
Oversupply	410,637	-108,621	-345,945	-43,929

Undersupply = 0.25%

HOWE ROBINSON AND Co. LTD.

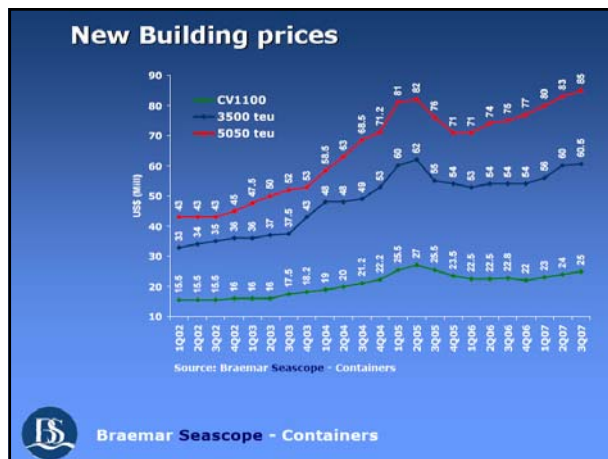
Supply/Demand 2010

Trade	East/ West	North/ South	Other	Total
Dom Trade 2009	39,965,767	31,061,453	86,608,237	157,635,458
Demand Growth	11.0%	10.0%	10.0%	10.3%
Additional Moves	4,348,273	3,106,145	8,660,824	16,115,849
Av. Voyage Time	48	43	15	
Voy. Per Year	7.6	8	24	
Utilisation	88%	75%	75%	
Capacity Req.	684,733	487,906	474,566	1,647,204
Deployment	1150000	325000	105000	1580000
Scrapping	0	10000	15000	25,000
Oversupply	465,267	-172,906	-384,566	-92,204

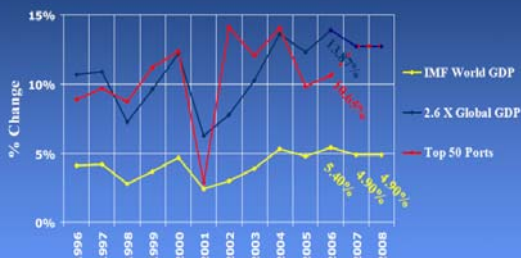
Undersupply = 0.5%

- HOWE ROBINSON AND Co. LTD.
- Demand is extremely firm.
 - Assuming no economic hiccups charter rates expected to have bottomed out in 2007.
 - There could be a softening of spot rates in Q4, but period rates should remain firm.
 - New building prices should remain robust
 - Secondhand prices are unlikely to fall.
 - Investment margin will be thinner.
 - Cycles suggest we are around half way through the downturn.
 - There are 'buy' signals.
 - But there are few sellers.

Breamar Seascope/London



Global GDP & Demand Growth

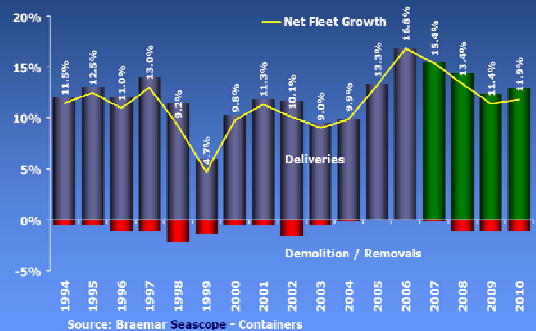


Source: Braemar Seascope - Containers Based on top 50 port reported throughput and IMF GDP figures.



Braemar Seascope - Containers

Fleet Growth



Source: Braemar Seascope - Containers



Braemar Seascope - Container

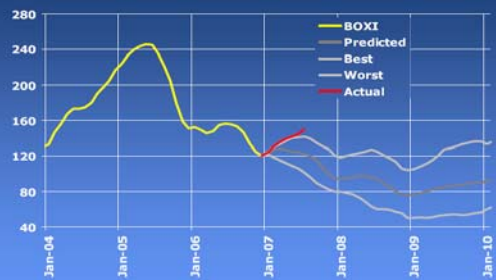
Supply / Demand (based on Braemar est.)



Source: Braemar Seascope - Containers

Braemar Seascope - Container

Container Index 'BOXI' Prediction - January 2007

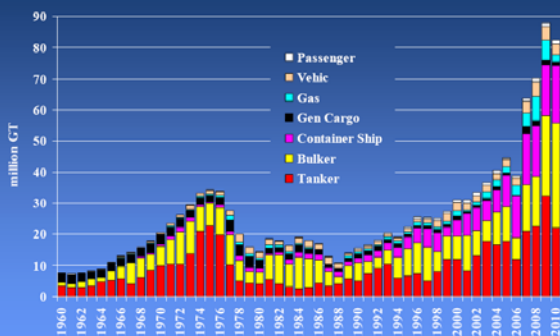


Source: Braemar Seascope - Containers



Braemar Seascope - Containers

Shipbuilding output 1960 - 2010 GT



Source: Braemar Seascope - Containers



Braemar Seascope - Containers

Braemar Seascope's conclusion

- Downturn from 2008 is foreseen
- 2008 will stop ordering
- If slow down of world's GDP growth, 2009/2010 will be difficult
- 2011/2012 might be difficult for shipyards
- Advice from Braemar Seascope – clutch as many order as possible
- **CSBC will be safe after reviewing CSBC's orderbook**

參加造修船合約管理研討會

以 **Comparison of Standard Forms of Shipbuilding Contract** 為題將本公司合約與其他標準合約進行比較

Shipbuilding, Conversion and Repair Contract Management

- **SESSION 1: MARKET TRENDS**
 - **Current market for shipyards**
 - Overview of the ownership and organisation of the ship building industry
 - Regional overview: China, Korea, Japan & Europe
 - Current development and future expansion
 - Parties involved, their roles and responsibilities
 - Finding the right yard and finding a slot
 - **Nick Granger**, Executive Secretary, CESA Ship Maintenance, Repair and Conversion Group

Shipbuilding, Conversion and Repair Contract Management

- **SESSION 2: PRE-SIGNING**
 - **Pre-signing contract management - legal considerations**
 - Agreements to agree
 - Letters of Intent, including examination of a sample form
 - Options, including examination of a sample form
 - Title during construction and security
 - **Philip Rymer**, Partner, Reed Smith Richards Butler LLP
 - **Comparison of Standard Forms of Shipbuilding Contract**
 - Differences in main terms and structure
 - Shipbuilders Association of Japan
 - Association of West European Shipbuilders
 - MARAD (US)
 - Association of Norwegian Shipowners / Shipbuilders
 - China Maritime Arbitration Commission
 - BIMCO Newbuildcon
 - Customisation - owners' and yards' perspectives
 - **Elinor Dautlich**, Partner, Holman, Fenwick and Willan
 - **Contract negotiations**
 - The negotiation process
 - Recognising the personalities
 - Collating your facts
 - Presenting your case
 - Answering their case
 - Building rapport
 - **Setting the Terms**
 - Written Agreements
 - **Jeff Whitfield**, Executive Director, Stapleton International

Shipbuilding, Conversion and Repair Contract Management

- **SESSION 3: CONTRACT IMPLEMENTATION**
 - **Risk identification and project planning**
 - Evaluating the design, engineering and management demands of the project
 - Technical and organisation planning
 - Identifying where significant input is required
 - Project duration estimates: shipowners vs. shipyards
 - **The role of class in pre-contract negotiations for newbuild and ship repair / conversion**
 - What does class do during newbuild / ship repair
 - Who is the client? - ramifications of relationship between class / yard / owner
 - Newbuild contracts - how class can help develop technical specification pre-contract and facilitate owner involvement during newbuild
 - Ship repair/conversion - how to develop a technical specification that will comply with rules and regulations
 - **Tim Kent**, Director Strategy & Planning, Lloyd's Register Marine
 - **Negotiating the contract**
 - A practical and interactive workshop aimed at sharpening delegates' negotiation skills.
 - **Moderator: Jeff Whitfield**, Executive Director, Stapleton International
 - **Subcontract management**
 - Identification of requirements
 - Establishing the contract pack
 - Management tools for managing the contract
 - **Ian Brennan**, Director of Procurement, Aircraft Carrier Alliance
 - **Executing works and project management**
 - Good practice in contract and project management
 - Documented and structured communication
 - Drawings, material and equipment selection and approvals
 - On site inspections, tests and trials
 - Ensuring everything goes smoothly
 - Penalties for failure
 - **Philip Codd**, Managing Director, Burness Corlett - Three Quays (Southampton) Ltd

Shipbuilding, Conversion and Repair Contract Management

- **SESSION 4: MANAGING CHANGES AND DISPUTES**
 - **Managing changes to the works**
 - Impact of change work on scheduling
 - Cost associated with changes to the contract
 - **Bob Breeze**, Executive Director, Stapleton International
 - **Dealing with cost overruns and delays**
 - Delegates will consider a hypothetical scenario and will work through the following:
 - Managing the risk of cost overruns and delays by effective contract negotiation and drafting
 - Practical advice on how to deal with cost overruns and delays
 - Overcoming any problems that may arise Moderators:
 - **Bob Breeze**, Executive Director, Stapleton International
 - **Chris Kidd**, Partner, Ince & Co.
 - **David Steward**, Partner, Ince & Co.
 - **Managing conflicts and disputes**
 - Legal Dispute Resolution Methods: Litigation, Arbitration, ADR
 - Early identification and dispute management
 - **Chris Kidd**, Partner, Ince & Co.
 - **Managing conflict**
 - Delegates will use a hypothetical scenario and consider:
 - How to avoid and resolve disputes
 - If the dispute is unavoidable, how to prepare for litigation, arbitration or ADR Moderators:
 - **Bob Breeze**, Executive Director, Stapleton International
 - **Chris Kidd**, Partner, Ince & Co.
 - **David Steward**, Partner, Ince & Co.

HOLMAN FENWICK & WILLAN

SAJ Form

AWES Form

Ship 2000


MARAD Form

China Form

BIMCO NEWBUILDCON

China Maritime (China Form)

- PRC law
- released in October 2007 (currently in draft form only)
- Alternative provisions for governing law and jurisdiction



HOLMAN FENWICK & WILLAN

Termination Rights

- SAJ and AWES
- MARAD Form
- Ship 2000 – termination by Builder requires written notice to the Buyer
- China Form
- BIMCO – 60 days delay

Termination Rights – notice

- Ship 2000 - termination by Builder requires written notice to the Buyer
- China Form
- AWES Form
- MARAD Form
- BIMCO – 60 days delay

Refund Guarantees

- SAJ and AWES Forms - no provision for security
- China Form - "As security for the Buyer, the Seller shall deliver to the Buyer, concurrently with this Contract being signed, a Refund Guarantee to be issued by the Bank of China...."
- MARAD Form – allows for both a Performance Bond and a Payment Bond
- Ship 2000 – Buyer's payment obligations subject to Builder providing refund guarantee(s)
- BIMCO – allows for both a Refund Guarantee (specific bank) and Buyer's Performance Guarantee (elect bank or corporate)

HOLMAN FENWICK & WILLAN

Inspection – 1

SAJ and China

- Inspections to be carried out by independent bodies and/or Representative Inspectors and the Builder
- Buyer has right to agreed test list
- AWES, Norway more general

Inspection and Progress – 2

- General omission of provisions relating to:
 - master construction programme
 - regular progress meetings
 - appointment by Builder of dedicated representative
- BIMCO – detailed building and testing schedules
- Consider acceleration/termination rights in relation to Builder's failure to meet construction programme

HOLMAN FENWICK & WILLAN

New BIMCO Form

- Consultation draft in circulation; final version due October 2007
- Published objectives:
 - clarity
 - balance
 - standard wording
- BIMCO style – compared to other forms marked from standard
- Resales – Buyer's right

BIMCO – resales

- Buyer has right to require Builder to novate contract
- Builder shall not "acquire any additional obligations, risks or costs"
- Any change in supervision to be agreed, Builder's consent not to be unreasonably withheld
- Acceptable replacement Payment Guarantee; **default first class bank guarantee**
- Builder to procure assignment or reissue of Refund Guarantee

HOLMAN FENWICK & WILLAN

CSBC's actions

- **Start to establish a standard English version**
- Invite Design Department and Legal Affairs Section to join the discussion
- Target - Middle way standard contract

關於修船合約之探討

關於修船合約之探討

- 修船工程80%均為國內航商及多為國內上市公司，故雙方均有多年之互動及互信，雙方同意以本公司頒佈之**修船收費表**（1989年實施至今無修正）為計價之基準，並視雙方合作之深淺及工作量之大小，按「修船收費表」予以若干之折扣（自15%至30%不等），部份船東或部份工程亦有修前報價者，亦即國內船東雙方於修前對修費有某種程度之協議或諒解。修後議價後雙方簽訂簡易之「**修繕契約書**」，其中言明合約金額及付款條件，此方式已行之廿餘年。

關於修船合約之探討(續)

- 國外或部份國內非上市公司來修船均於修前報價，雙方並以文件往來確認修費，修後議價後雙方簽訂"AGREEMENT"，本"AGREEMENT"對於雙方之權利義務有較詳細之律定。
- 國內或外航商亦有要求訂立較明確之修船合約，例如：陽明海運「中明輪」及「萬海307」輪等，則雙方訂立更明確之合約，以律定雙方之權利義務。

關於修船合約之探討(續)

- 故修船工程視需求有不同等級之合約，如欲深度探討，**"WAN HAI 307"之合約應稱為修船較完整之「標準合約」**。但此標準合約應視船東之需求而訂定，因一般修船修期均為7至10天，如訂立繁雜之合約反而自縛手腳，徒增作業之困擾。
- 一般修船因船在我方手中，如我方權利未確保前不經法律途徑我方有將船留置之權利。如船東信用卓著我方經常給予船方交船後某一段時日付款之條件。**如為初次交易之船東，均要求船東付清修費方交船之方式，故修船合約不必訂得嚴謹，以免損害我與客戶關係。**

拜會英國倫敦、希臘雅典與德國漢堡地區之船東、船舶經紀商與海事律師

Howard Houlder Ltd/London

- Woelbern Shipping interest in CSBC's 12600 TEU C/V
- Introduce Walther Moeller and Ernst Russ to CSBC.



CombiTrade/Hamburg – repair business

- Follow up NSB 8000/9000 TEU repair business
- Ask CombiTrade to assist CSBC to expand Cyprus business
- Manufacturing Service Industry – newbuilding + repairing service
- CSBC's strength – can accommodate 12500 TEU for docking

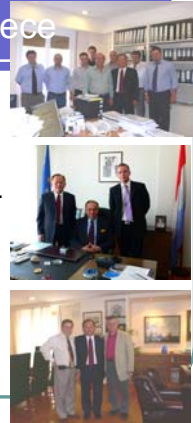
Repair Business in Greece

- Visit
 - George Moundreas & Company S.A.
 - A.P. & A. Shipping Ltd.
 - Chirs Marine S.A.
 - Technomar Shipping Inc.



Repair Business in Greece

- Greece is the biggest shipowning country in the world and there are big and aged fleet need repair service.
- All of the repair agents in Greece include CSBC in their brochures.
- Strong demand in world's future repair business.



Ernst Russ/Hamburg

- Family control company
- Interest to build 12,000~14,000 DWT MPP with large hatch
- CombiTrade is one of their affiliates



Walther Möller/Hamburg

- CSBC's price of 1700 TEU is too high
- 2800~3500 TEU ice class with gear
- 6500 TEU C/V with 2011 delivery
- Twin deck 24000 DWT
- Representatives of shipowner, now sign the contract by themselves



Newbuilding list

Vessel	TEU	of 14 t	Tons	Reefer	Speed	Building yard	Delivery	
CALANDRA	2.758	2.289	37.000	500	22.5 kn	Wenchong	ex yard 2009	
CALIDRIS	2.758	2.289	37.000	500	22.5 kn	Wenchong	ex yard 2010	
CATENA	1.740	1.290	23.400	300	20.0 Kn	Wenchong	ex yard 2009	
CORVETTE	1.740	1.290	23.400	300	20.0 Kn	Wenchong	ex yard 2009	
CYNTHIA	1.700	1.222	23.978	330	20.5 Kn	Aker	ex yard 05/2008	
CYPRIA	1.700	1.222	23.978	330	20.5 Kn	Aker	ex yard 06/2008	
CONVENT	1.700	1.222	23.978	330	20.5 Kn	Aker	ex yard 07/2008	
CLIPPER	1.700	1.222	23.978	330	20.5 Kn	Aker	ex yard 08/2008	
JRS PEGASUS	E3	877	640	12.400	231	18.0 Kn	MAWEI	ex yard 2008
JRS POLLUX	E3	877	640	12.400	231	18.0 Kn	MAWEI	ex yard 2008
CARAT	E3	877	640	12.400	231	18.0 Kn	MAWEI	ex yard 2009
CERES	E3	877	640	12.400	231	18.0 Kn	MAWEI	ex yard 2009
CELTIC	E3	877	640	12.400	231	18.0 Kn	MAWEI	ex yard 2009
CONDOR	E3	877	640	12.400	231	18.0 Kn	MAWEI	ex yard 2009
RSD DALMATIA	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 10/2007
JRS CARINA	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 11/2007
RSD ESPERANZA	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 12/2007
JRS CORVUS	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 02/2008
ANNA-LISA	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 06/2008
JACKELINE-H	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 07/2008
MMV 437-36-TBN	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 10/2008
MMV 437-37-TBN	E3	698	436	8.300	120	17.5 Kn	MAWEI	ex yard 12/2008

推廣CSBC NPCV 新船設計

拜會德國大航商Peter Döhle推廣本公司New Panamax Container Vessel – 12500 TEU C/V設計

Peter Döhle/Hamburg

- Meet Jan Görke, Helmut Wieck, Jörg Knuth, Werner Gerdts
- Questionnaire of CSBC's NPCV Project



General Comments from PD

- operation speed would be around 21 kts, and all equipments to be designed according to the long time operation base on this speed.
- NPCV seems to be the same size at the present time, size is ok.
- GoM=2m
- M/E should be electrically control, with stern thruster is a must for harbour maneuverability. No special requirement for harbour speed.
- ballast water treatment should be active method, same as Asian shipping company's point of view, enough space should be reserved for future installation of new equipment.
- reefer container number is ok, but high cube in hold should be flexible for every tier in hold.
- NO ABS class, only GL
- no special requirement for NewYorkMax
- air draft is ok
- they complain about Taiwanese buyer is CSBC's first priority.
- they are waiting to see outline specification from CSBC.

結論

- NEWBUILDCON(BIMCO form) 是一個對船東較友善的標準建造合約的版本, 如果未來航運景氣下滑, 船東對新船合約談判將可能採用 BIMCO版本, 本公司應妥為因應。
- 本公司應對目前幾個標準版本 (SAJ/BIMCO/AWES...) 進行研討, 並提出台船標準版本, 讓新船合約之談判有所依據。
- 因全球船隊持續大幅成長, 加上大型修船塢越來越少, 未來修船業務(尤其是大型貨櫃輪)需求將升高。

結論(續)

- 倫敦船舶經紀商對未來貨櫃輪市場看法呈現兩極化, Howe Robinson認為供需尚在平衡之間, Braemar Seascope則認為供過於求。但經Braemar Seascope檢視本公司手持訂單後, 認為因本公司慎選客戶, 未來受到的衝擊會比較輕。

結論(續)

- 此行我們獲得海事律師提供之BIMCO修船標準合約, 並與本公司現存方式比較, 認為本公司之現存方式較具彈性, 故仍維持現行修船標準作法。
- 歐洲船東(尤其是德國船東)希望儘速看到本公司NPCV(New Panamax Container Vessel)設計與報價, 以便探討下單之可能性。

CSBC provides 3D lifetime services

From **D**esign to **D**elivery,
and **D**rydocking

Manufacturing Service Industry