

# SINOMACH TODAY

**Oct. 2014**

**Issue 3**  
**Volume 29**

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**R&D and Manufacture**  
**Project Contracting**  
**Trade and Services**

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A photograph showing two men, Xi Jinping on the left and Mahinda Rajapaksa on the right, participating in a ceremony. They are standing behind a table with a large red button. Xi Jinping is wearing a dark suit and a light blue tie, while Mahinda Rajapaksa is wearing a white shirt and a red sash. The background is a solid red color.

**Xi Jinping attended the ceremony  
of the Puttalam coal-fired power  
plant project constructed by CMEC  
with Mahinda Rajapaksa**

**普特拉姆3X300MW燃煤电站项目**

# Your Reliable Partner



**Icdas 2X600MW Supercritical Power Plant under Construction, Turkey**

## Embracing the Second Spring



In the current global economic situation, we should pay more attention to the following problems:

How to face the pressure and pain brought by transformation and upgrade?

How to become powerful and be a world-class enterprise with international competitiveness?

SINOMACH Chairman Ren Hongbin, made a speech titled “Embracing the Second Spring of Large Enterprise Devel-

opment” and explained his opinions and ideas on the currently held Top 500 Chinese Enterprises Summit Forum in 2014.

Chairman Ren Hongbin believed that large enterprises must embrace a spring for development.

He pointed out that Chinese economy and large enterprises are still in an important period of strategic opportunities, and the growth speed may be adjusted. However, with quality and efficient improvement, transformation, and upgrade, large enterprises still have tremendous growth space.

A series of important decisions on comprehensively deepen reform made by the 3rd Plenary Session of the 18th CPC Central Committee send a powerful message: unleash enterprises and make the market work, which creates a historical opportunity for Chinese enterprises to be larger, stronger, and better.

Chairman Ren Hongbin believed that the development of large enterprises depends on the reforming consciousness.

He pointed out that if a large enterprise wants to develop well and far, it must comply with market rules, and the most

essentially, it must have strong reforming spirit and innovation consciousness, be able to conform to changes in objective situations, and be able to continuously promote reform and innovation.

Chairman Ren Hongbin believed that large enterprises must undertake responsibilities.

He said that large enterprises, as the backbone strength of economic development and the important base of comprehensive national power and competitiveness, should take corresponding responsibilities in the historical course of the great rejuvenation of the Chinese nation.

Meanwhile, supporting and promoting growth and development of small and medium enterprises are responsibilities that large state-owned enterprises must undertake.

Chairman Ren Hongbin still said that the good situation of “symbiosis and win-win” will appear if win-win is considered as the base and guide.

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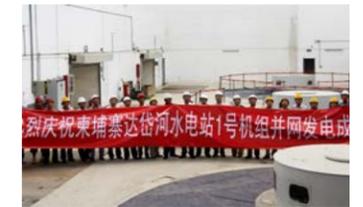
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## Xi Jinping Attended Multiple Signing and Launching Ceremonies of SINOMACH Overseas Projects

### A

On September 16, Chinese President Xi Jinping, who was on a state visit to Sri Lanka, attended the overall launching video connection ceremony of the Puttalam coal-fired power plant project constructed by CMEC, with Mahinda Rajapaksa, President of Sri Lanka, in Colombo.

### B

On September 15, during the state visit to Maldives, Chinese President Xi Jinping attended the opening ceremony of the Maldives housing project phase II constructed by CMEC, jointly with Maumoon Abdul Gayoom, President of Maldives.

### C

On May 20, Chinese President Xi Jinping and Russian President Vladimir Putin who was invited to make a state visit to China and attended the CICA Shanghai Summit, jointly witnessed the signing of the commercial contract for Russian

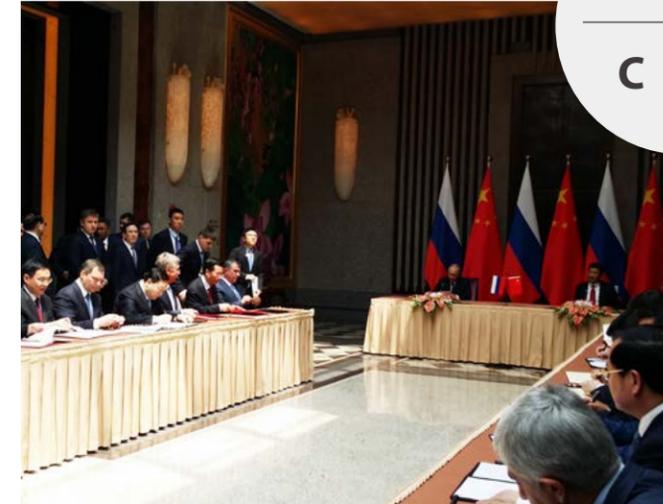
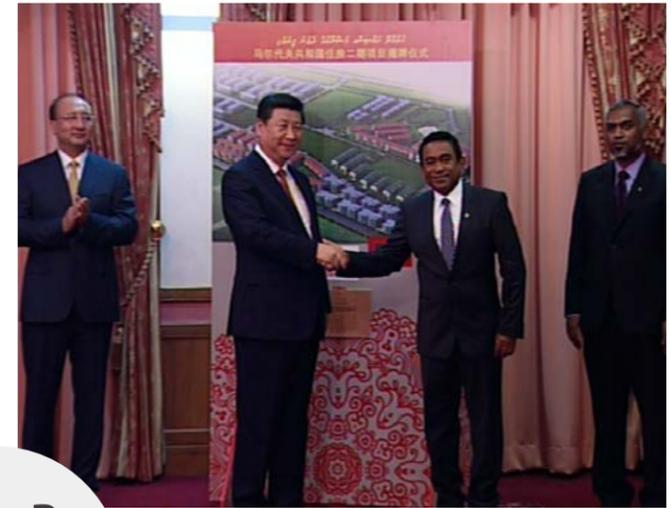
### D

On July 18, during the state visit to Argentina, Chinese President Xi Jinping and Argentine President Cristina jointly witnessed the supplemental loan agreement signing ceremony and video launching ceremony of the Argentina Belgrano Freight Railway Reconstruction Project generally contracted by CMEC.

### E

On July 21, during the state visit to Venezuela, Chinese President Xi Jinping and Venezuela's President Nicolas Maduro, jointly witnessed the signing of the EPC of the housing construction, planning, and infrastructure service project in Anzoategui and Nueva Esparta of Venezuela constructed by China United Engineering Corporation, on the closing ceremony of the 13th session of China-Venezuela High-level Mixed Committee.

cement plant reconstruction project between China CAMC Engineering Co., Ltd and CJSC Eurocement Group, with the price at USD 175 million and the construction period of 36 months.



A

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## All CMEC Personnel in Iraq for Projects Were Evacuated Safely to China

By: ZhangQingchun



With the instruction and assistance of the Ministry of Foreign Affairs, Ministry of Commerce, and Chinese embassy in Iraq, 1258 Chinese employees of China Machinery Engineering Corporation (CMEC), a subsidiary of SINOMACH, who were working in Iraq for the Saladin fuel gas plant project have been evacuated safely through continuous air and land transportation in 8 days to China by July 2.

Since May 2014, the security situation has become unstable in northern Iraq and been deteriorating. In June, Iraqi insurgents occupied some cities in northern Iraq and continuously attacked the Saladin governorate, placing the Saladin 2x630 MW fuel gas power plant project whose EPC contractor and engineering contractor were CMEC and SINOCONST in danger.

In such severe situation, SINOMACH

kept an eye on Iraqi safety situation changes and worried very much about the onsite staff's safety. When receiving the evacuation request from Chinese Embassy in Iraq, SINOMACH immediately initiated level-1 response mechanism—Overseas Security Emergency Preparedness Plan and established emergency handling teams at three levels: headquarters level, CMEC level, and project site level. Based on the three-level linkage mechanism, SINOMACH maintained real-time communication and close cooperation with the Ministry of Foreign Affairs of the People's Republic of China, Ministry of Commerce of the People's Republic of China, and Chinese Embassy in Iraq.

On June 25, 2014, guarded by the armed forces of the Iraqi government, the first batch of stranded onsite staffs were

successfully transferred to Baghdad under coordination and organization of the Ministry of Foreign Affairs of the People's Republic of China, Chinese Embassy in Iraq, and Ministry of Commerce of the People's Republic of China.

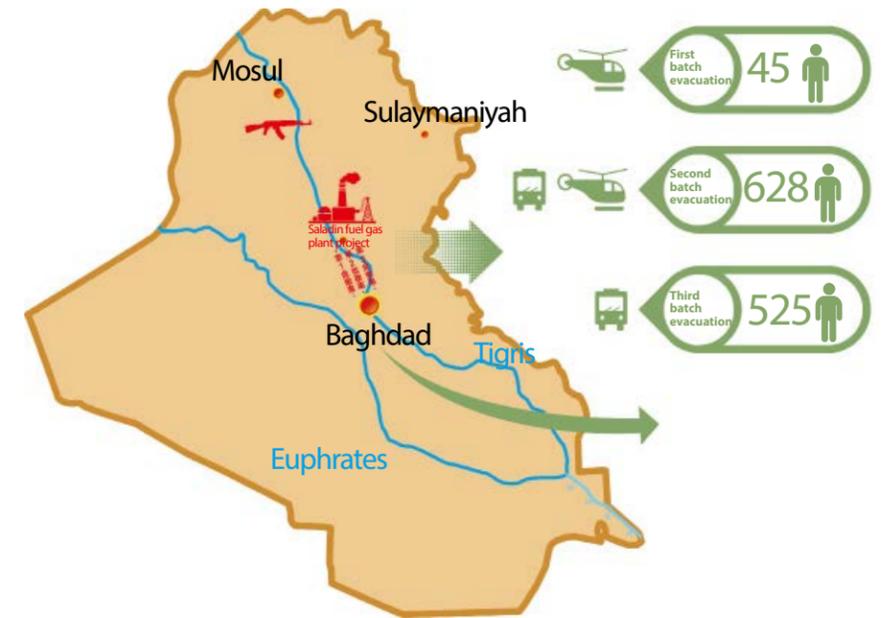
On June 26, 2014, a team of six directors including CMEC's Vice President Li Jingkai and the General Manager Li Sen and office director Lin Xiangfeng of the First Northeast Electric Power Engineering Co. rushed to Iraq to strengthen the leadership of the evacuation and enhance the organization strength for safe evacuation.

With efforts of all parties, the stranded project staff were transferred in batches within three consecutive days through a combination of land and air transportations. At 17:00 on June 27, 2014 Baghdad time, the last batch of staff guarded by the

Iraq's military were safely transferred from the project site to Baghdad. By then, all 1258 staffs arrived at Baghdad safely.

During the period from June 26 to July 2, the evacuated staffs returned to China by air. The last batch of over 100 evacuated staff who are employees of Transtech Engineering Co. arrived at Chengdu at noon of July 2. By then, all 1258 staff have returned from the Iraqi power plant project site to China.

Under the command of the Ministry of Foreign Affairs of the People's Republic of China, Ministry of Commerce of the People's Republic of China, and Chinese Embassy in Iraq, the evacuation from Iraq succeeded with unremitting efforts of SINOMACH, CMEC, SINOCONST, and the frontline command team.



## SINOMACH Was Granted The title of Five-Star Industrial Enterprise in Fulfilling Social Responsibilities

By: XiaoXiaofan

On July 26, the release conference of the Report on Social Responsibility Fulfillment of Chinese Industrial Enterprises in 2014 and the release ceremony of the first Chinese Industry Enterprise Social Responsibility Fulfillment Rankings were held in the Great Hall of the People in Beijing.

During the event, SINOMACH was granted the title of Five-Star Industrial Enterprise in Fulfilling Social Responsibilities and released its social responsibility report

for 2013.

The Chinese Industry Enterprise Social Responsibility Fulfillment Rankings is the first of its kind for evaluating the social responsibility management levels of Chinese industrial enterprises. It is created following the justice, fairness, and openness principles based on six aspects including social responsibility value and strategy, social responsibility promotion management, economy, environment, social influ-

ence, and responsibility fulfillment innovation to provide overall evaluation on the performance of some 90 industrial enterprises in 2013 who submitted reports.

Adhering to the core value "Work Together Win Together" over the years, SINOMACH has been taking social responsibilities into account when creating corporate strategic plans to play a leading role as a central enterprise in creating a harmonious society.

# SINOMACH NEW RANKS

## A Fortune500 / 278

On the evening of July 7 Beijing time, the Fortune magazine released the 2014 Fortune 500 companies list, on which SINOMACH ranks 278th with a revenue USD 39.418 billion, 48 positions higher than that in last year.

SINOMACH's outstanding performance in 2013 contributes to this higher ranking position.

Facing pressure from both a grim international economic situation and domestic economic downturn, SINOMACH realized a year-on-year business revenue

growth of 11.3% to RMB 242.4 billion in 2013.

This year's Fortune 500 threshold is increased by USD 500 million to USD 23.7 billion.

Sinopec ranks one position higher this year with a revenue of USD 457.2 billion, representing its first time to be among the top three companies.

The number of Chinese companies on the list continues to increase this year to 100, consolidating China's second position following the United States and nar-

rowing the gap between them.

All the Chinese private enterprises on the list rank higher than last year.

Seven more Chinese enterprises appear on the list this year.

It should be noted that an increasing number of Chinese enterprises appear on the list and their average revenue and asset quantity are getting close to the average level of the top 500 enterprises, while obvious gaps exist regarding critical enterprise competitiveness data, including enterprise profit and per-capita profit.

## B ENR / 72 25

Recently, Engineering News-Record (ENR) from the United States released the ENR Top 225 International Design Firms and the ENR Top 250 Global Contractors lists for 2014. SINOMACH ranks 72nd on ENR Top 225 International Design Firms, 3 positions higher than last year, and 25th on ENR Top 250 Global Contractors, the same position as last year.

According to ENR's statistics, the enterprises on the ENR Top 250 Global Contractors list created a total overseas business revenue of USD 544 billion last year, representing a

year-on-year increase of 6.4%.

This year, 21 Chinese enterprises appear among the top 100 global contractors, with CCCC, CSCEC, POWERCHINA, CMC, and CRCC being the top 5 of the Chinese enterprises.

SINOMACH is steadily moving up the ENR lists, reflecting its professional capabilities and leading position in the global EPC, consulting, and design fields and functioning as an important proof of its comprehensive strength.

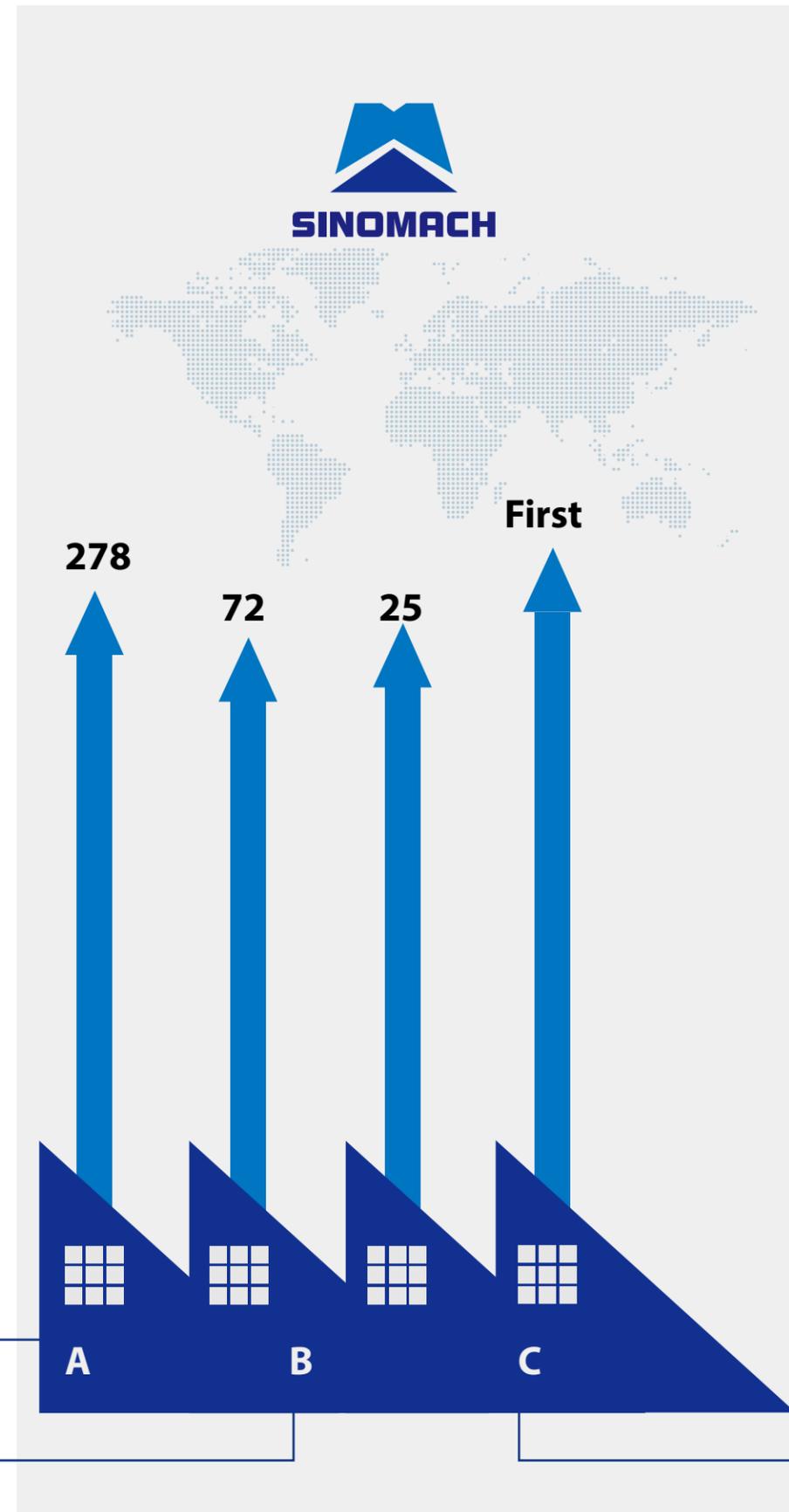
## C Top 100 Chinese Machinery Enterprises / First

On May 28, Top 100 Chinese Machinery Enterprises and Top 30 Chinese Automobile Enterprises for 2013 were released in Beijing. SINOMACH ranks first on the Top 100 Chinese Machinery Enterprises list for the sixth consecutive year since 2008.

The domestic and foreign economic situations became even more complicated in 2013, which significantly increased the difficulties of the machinery industry and greatly urged changes in development modes.

In 2013, the top 100 machinery enterprises earned a revenue of RMB 1.5929 trillion from their main businesses, representing a year-on-year increase of 3.5% and an average annual growth of 15.73% to 3.73 times the revenue in the year when the lists were released for the first time.

SINOMACH continued its lead with a business revenue of RMB 236.2 billion among the top 100 Chinese machinery enterprises, followed by Weichai Holding Group Co., Ltd. and XCMG which realized business revenues of RMB 100.4 billion and RMB 93 billion respectively.



## Deputy Prime Minister Tozik of the Republic of Belarus Visited SINOMACH

By: DuanTing



On the afternoon of September 3, Belarusian Deputy Prime Minister A. TOZIK led a delegation to visit SINOMACH and had a conversation with Chairman of SINOMACH Ren Hongbin. Chairman of CAMCE Luo Yan participated in the meeting.

Chairman Ren Hongbin presented the sand table of China-Belarus Industrial Park Project Phase I which covers 8.5 square kilometers, and explained the functional areas, transportation conditions, landscaping and municipal facilities of Phase I.

They also exchanged in-depth views on the relevant issues of the China-Belarus Industrial Park Project.

During the meeting, Chairman Ren

Hongbin expressed his gratitude to Deputy Prime Minister A. TOZIK for the support and assistance on China-Belarus Industrial Park Project, and stated that SINOMACH placed high importance on the project and would give full support to the project construction.

Deputy Prime Minister A. TOZIK said that China-Belarus Industrial Park Project is the most important project in the field of bilateral economic and trade cooperation between the governments of Belarus and China, and hoped that CAMCE would continue its efforts on China-Belarus Industrial Park Project to make it a pilot project.

Belarusian officials including Ambassador Burya Victor and Vice Foreign

Minister Rybakov as well as the First Deputy General Manager of China-Belarus Industrial Park Development Co., Ltd. K. Koroteev, Vice President of SINOMACH Xie Biao, and related department directors at the SINOMACH headquarters attended the meeting.



## A Cooperation Agreement with EDF on a New Energy Project Worth 200 Million Euros Signed

By: ChenZiyao

On June 19, Chinese Premier Li Keqiang led a Chinese business delegation to Greece.

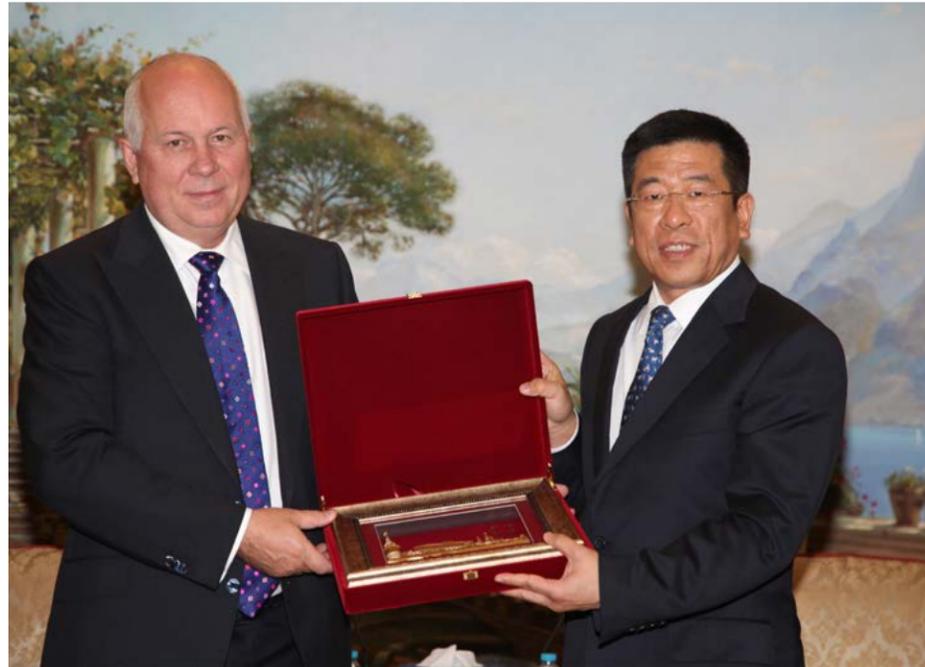
During their visit, cooperation agreements and business contracts worth up to USD 4.8 billion on infrastructure construction, ocean, culture, and others were signed between the two countries.

Being an important business and trade cooperation project agreement to be concluded during Li Keqiang's visit in Greece, a new energy cooperation agree-

ment covering various projects including the wind power generation project was signed by the general manager Cai Jibo of SUMEC and the Fortune 500 company Electricite De France (EDF) based on their existing partnership under the witness of Xu Shaoshi, director of the National Development and Reform Commission of the PRC, Gao Hucheng, minister of the Ministry of Commerce of the PRC, and Greece's Development and Competitiveness Minister and Minister for Maritime Affairs, Islands

and Fisheries.

The participation in the delegation led by premier Li Keqiang and signing of the high-value cooperation agreement on wind power generation projects with EDF helped improve the global presence of the new energy business of SUMEC, introduce new overseas financial resource operation modes and platforms, and increase SUMEC's global influence, which is of great significance to SUMEC in global development of its new energy business and overall strategic development of the group.



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A

On September 4, General Manager Sergei Chemezov of Russian Technologies led a delegation to visit SINOMACH and held talks with SINOMACH Chairman Ren Hongbin.

Chairman Ren Hongbin welcomed the delegation. Both sides briefly introduced their enterprises and exchanged views on areas including machinery and equipment manufacturing and project construction.

General Manager Sergei Chemezov

spoke highly of SINOMACH's overall capability and wished to cooperate with SINOMACH in more fields in the future.

Representatives of the Russian enterprise, Vice President of SINOMACH Xie Biao, and Chairman of CAMCE Luo Yan attended the meeting.

B

On May 26, Vice President Xie Biao met with Joao Ricardo Auler, visiting chairman of Camargo Correa from Brazil, at SINOMACH headquarters. Both sides exchanged views on economic and trade cooperation in related fields including refinery projects in Brazil, construction machinery, petrochemical equipment, and floating oil storage and unloading equipment.

C

On May 16, Vice President Xie Biao met with the delegation led by Muratov, Deputy Chairman of Kazakhstan Engineering, at SINOMACH headquarters. Both sides exchanged views on economic and trade cooperation in related fields including agricultural and construction machinery.

D

On July 23, Vice President of SINOMACH Ding Hongxiang met with the delegation led by Mike Hughes, Vice President of Schneider Electric, at SINOMACH headquarters.

Both sides exchanged views on tighter business cooperation and training

for SINOMACH.

The main directors of the Department of Operation and Management and the Training Center attended the meeting.

E

From August 24 to September 5, a delegation of 20 directors of SINOMACH subsidiaries led by Vice President of SINOMACH Ding Hongxiang visited the headquarters of Schneider Electric in France where they attended the SOE Science and Technology Innovation Strategy and Leadership Im-

provement training sessions arranged and implemented by the State Administration of Foreign Experts Affairs, with an aim to learn experience from world's leading enterprises and further improve leadership for science and technology innovation.

The training sessions were provided

by lecturers from famous schools, such as Professor Kim Warren from LBS and Professor Francois Dupty from INSEAD, on subjects including strategy implementation, opportunities and challenges in globalization, and mergers and acquisition.

## The Completed Uzbekistan Cara Curry Pump Station Reengineering Project Officially Transferred

Recently, IPPR completed the Uzbekistan Cara Curry pump station reengineering project and transferred it to its owner.

The Cara Curry area is one of the major cotton producing areas in Uzbekistan.

The pump station is located in the Cara Curry area and consists of the primary and secondary units. It provides irrigation for nearly 30,000 hectares in the area and provide water for 768 livestock farms.

Reengineering of the pump station improves the security, reliability, and operating efficiency of the pump station and

reduces power consumption.

The new pump station provides irrigation services for a broader area, restores and improves the agricultural irrigation condition, and effectively better the soil environment on saline alkali lands, which helps ensure the economic development in the irrigated area.

This is the first project implemented by IPPR in Uzbekistan. Leveraging on the implementation of the project, IPPR has won some more projects there.

## CMEC Signed the 400 KV Power Transmission Project in Mozambique

On August 4, CMEC and Electricidade de Mocambique signed the Mozambique (Kaya) Sim Allah-Namialo-Nacala 400 KV power transmission project in Maputo, capital city of Mozambique.

The contact value totals USD 606 million. CMEC is responsible for engineering design, goods supply, civil construction, facility installation, personnel training, equipment commissioning, and quality assurance using the "turnkey" approach.

The project will be finished within 36

months after kickoff.

As a major national project of Mozambique, the project is of great significance for improving the economic layout in the country. It is also the largest power transmission and transformation project undertaken by a Chinese enterprise in Mozambique so far.

He successful contract signing is of milestone significance in that it will further enhance CMEC's influence in the project contracting market of Mozambique and surrounding areas.

### NEWS FLASH

On August 14 in Bolivia, the CAMCE Bolivia Branch signed the Misi-cuni dam construction project contract with the Bolivian company Misicuni in Bolivia.

The contract value for the project totals about USD 56 million. The project will be constructed in the Cochabamba province in Bolivia, including dam construction and equipment supply, installation, and commissioning.



On May 29, CAMCE completed installation of the boiler barrel for the San Buenaventura sugar refinery project in Bolivia.

The project was signed on March 5, 2012 with a contract value of USD 168 million for constructing a sugar refinery in the El Porvenir area of San Buenaventura with a daily sugar cane processing capability of 7,000 tons.



## Ghillie Waterworks Phase II in Republic of Congo Passed FAC

On July 15, the Ghillie Waterworks Project Phase II in the Republic of Congo undertaken by CMEC successfully passed the owner's FAC and accomplished the project department's goal of "delivering cleaning drinking water for Brazzaville residents."

The Ghillie Waterworks Project Phase II in the Republic of Congo is the first large-scale drinking water treatment project completed and put into operation by CMEC in Africa.

As the Ghillie Waterworks Project Phase

II is a major livelihood project concerning the economic and social development of Congo (Brazzaville), President Denis Sassou-Nguesso personally laid the foundation stone for it.

The project officially started construction on July 18, 2010. After three years of efforts, a modern drinking water treatment project in the Republic of Congo was established, representing a monument in Africa.

So far, all civil works of Ghillie Waterworks Project are completed except for the clean-water reservoir repair in Phase I, the

new waterworks in Phase II and its auxiliary buildings, part of the repair work in Phase I, and part of the pipe laying work have passed the owner's FAC, and the remaining work has passed the owner's PAC, while the unchecked part of the pipe laying work is going through industrial trial operation.

The remaining work is expected to pass PAC in September 2014 and by then the Ghillie Waterworks Project will undergo the overall PAC as well.

## CAMCE Signed the PVC Production Synthesis Construction Project in Uzbekistan

On August 19, China-Uzbekistan Economic and Trade Cooperation Forum was held in Diaoyutai State Guest House. In the Forum, CAMCE and OJSC NAVOIYA-ZOT Djomalov Sobir Djajalovich signed the contract on the PVC production synthesis construction project.

The contract value totals USD 440

million and the project will be completed within 36 months after kickoff.

The Project is located in Navoiy of the Republic of Uzbekistan and involves the construction of production synthesis with an annual production capacity of 100,000 tons of PVC, 75,000 tons of caustic soda, and 300,000 tons of carbinol.



## An Overhaul EPC Contract with the INGA 2 Hydropower Plant in Congo Kinshasa Signed

On May 23, CMEC's subsidiary CNEEC signed an overhaul EPC contract on four generator sets of the INGA 2 hydropower

plant in Congo Kinshasa with a total contract value of USD 295 million.

The hydropower plant operates 8

### NEWS FLASH



On 16 June, CAMCE successfully held the ceremony of completing pile foundation engineering of the San Buenaventura sugar refinery project. Teresa Morales Olivera, minister of the Ministry of Production Development and Diversified Economy of Bolivia, attended the ceremony.

The completion time of pile foundation engineering is one month ahead of schedule, indicating that a major milestone of this project was successfully completed.

On June 17, CAMCE signed taking over certificates for the Garsen substation, Lamu substation, 110 km transmission line between Malindi and Garsen, and 94.5 km transmission line between Garsen and Lamu. By then, the Malindi, Garsen, and Lamu substations and 328.5 km transmission lines had been handed over successfully, indicating the successful completion of the Kenya Power Distribution System Modernization and Strengthening Project Phase II (Lot-1).

generator sets and CNEEC will undertake the overhaul of four generator sets and the auxiliary equipment to restore their generating capacity.

The completion of the renovation project will greatly alleviate the power shortage in Congo Kinshasa and play an active role in local economic development

and people's lives.

This contract signifies that CNEEC has officially entered into Congo Kinshasa's power market.

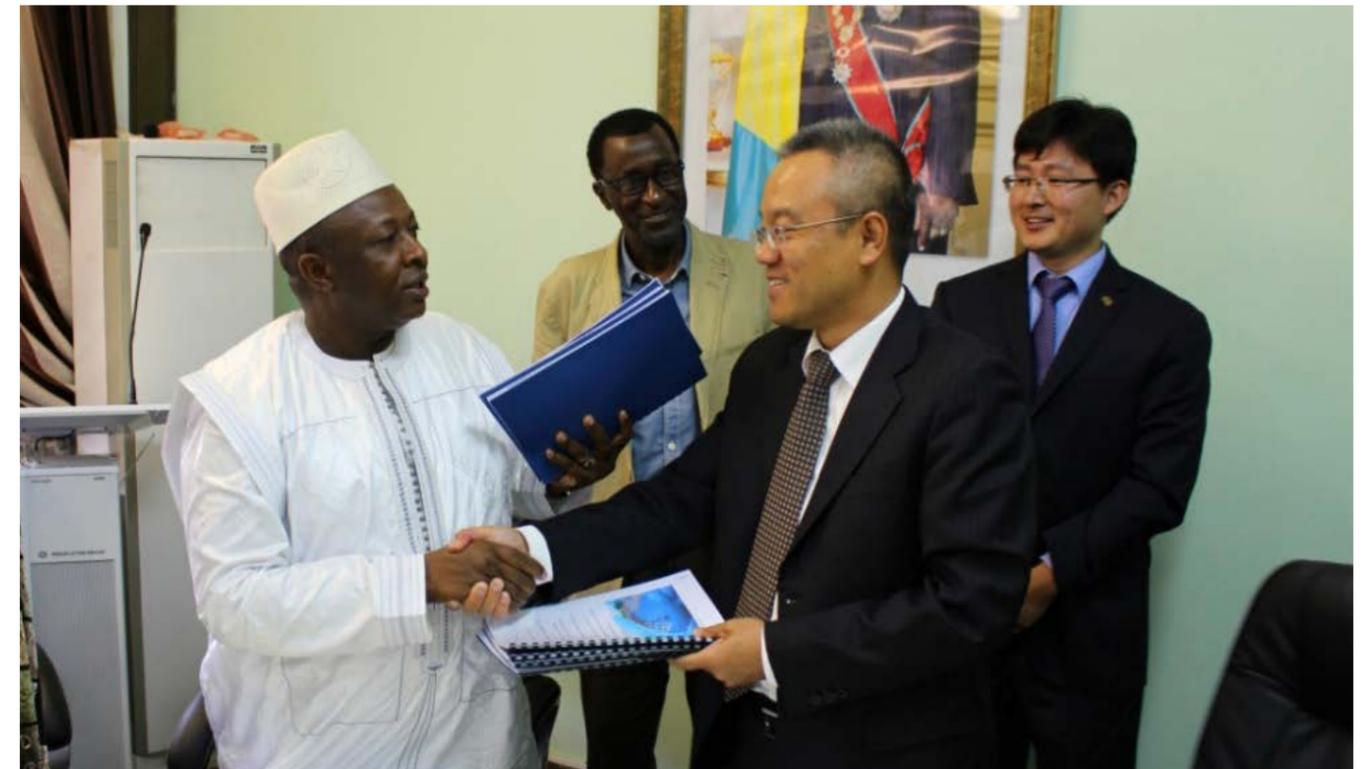
## The Extension of East Region of Conakry Port Project in Guinea Signed

On August 1, CAMCE and Autonomous Port of Conakry (PAC) signed the Extension of East Region of Conakry Port Project in Conakry, capital city of Guinea.

The total contract value of the project is USD 853 million, with USD 608 million allocated to phase II and USD 245 million allocated to phase III.

The project is located at western Conakry of Guinea and involves leveling

of 31.5 hectares of land, building of two 50,000 DWT berths and two 60,000 DWT berths, dredging of 8 kilometers of ship channels, construction of 4 kilometers of access road, paving of 1,055 meters of harbor railway, and construction of two container truck parking lots and office buildings. The contract period is 36 months.



## IPPR Won the Bidding for the Zimbabwe Middle School Project

Recently, IPPR won the bidding for the Zimbabwe middle school project.

Involving a construction area of about 7841 square meters, the project is located in the Hatcliffe town on the north of the capital city Harare, about 20 kilometers away from the city center.

According to the plan, the school covers an area of 7.6 hectares, including an administrative office area, teaching area,

lab area, sports area, and multi-functional halls.

The project is a cultural project constructed by China, which fully reveals the national culture and tradition of Zimbabwe, adapts well to the local environment, and adheres to the local school building construction conventions.

## A Contract on the Angola Soyo Combined-Cycle Power Plant Construction and Installation Project Signed

On August 22, CMEC and the Ministry of Energy & Water of the Republic of Angola signed a contract on the Angola Soyo combined-cycle power plant construction and installation project.

The project involves construction of a 750 MW combined-cycle power plant at USD 985 million.

As the general contractor, CMEC is

responsible for engineering design, goods supply, civil construction, facility installation, personnel training, equipment commissioning, and quality assurance using the "turnkey" approach.

According to the contract, the project will be finished within 36 months after kickoff.

### NEWS FLASH

Recently, IPPR won the bidding for the Chinese library project of the University of Dar es Salaam in Tanzania.

The project is located in the University of Dar es Salaam at the western outskirts of Dar es Salaam, capital city of Tanzania, and 13 kilometers away from the city center.

According to the plan, the project covers a total area of about 5 hectares (including 1.4 hectares of reserved wetland) and a construction area of 20,000 square meters for a library and Confucius Institute, where 18,000 square meters are allocated to the library and 2,000 square meters are allocated to the Confucius Institute.

On the morning of August 17 in Belarus, the largest single equipment "alkali recovery boiler deaerator water tank" in the Belarus 400,000 t/a bleached kraft pulp plant project was safely and accurately installed, which meant the construction target of the most important single phase, the alkali recovery boiler, being achieved and marked the commencement of steel structure installation for the alkali recovery boiler section.



## Malaysia Combined-Cycle Unit Project Officially Put into Commercial Operation

On August 13, the Malaysia combined-cycle unit project of CSEEC, a subsidiary of China Perfect Machinery Industry Corp., Ltd., securely completed a 15-day reliability trial run with full load. All the indicators meet the requirements specified in the contract. The project passed the local government's performance evaluation and was officially put into commercial operation on COD.

Officially kicked off on August 2012, the project took less than 24 months to

complete design, procurement, construction, commissioning, and performance tests.

Commercial operation of the project indicates that CSEEC's first overseas EPC project reaches the transfer condition, and also a substantive breakthrough in overseas EPC project management, which lay a solid foundation for CSEEC to enter overseas EPC project markets.

## WMHA Founded



In the morning of May 20th, World Materials Handling Alliance (WMHA), which was jointly launched by Chinese Mechanical Engineering Society (CMES), Beijing Crane and Carriage Machinery Design and Research Institute, European Materials Handling Federation, Japan Logistics System Machine Association, Japan Society of Industrial Machinery Manufacturers and American Materials Handling Society, held the second formal meeting in the German city of Hannover.

The founding of WMHA was officially announced at the meeting.

WMHA aims to develop worldwide cooperation in the materials handling field, and its product scope covers the following categories: conveyor, crane or hoisting equipment, lifting appliance, warehouse storage equipment, aerial work platform, pallet rack, and industrial truck. WMHA will conduct market (production and foreign trade) data exchange, communication on

the latest technologies, and consultation on the latest national/regional specifications and standards in fields such as security, environment and energy.

WMHA is an authoritative international organization, which widely represents about 2300 enterprises in China, Europe, Japan and the United States. Some of these enterprises have over 500,000 employees, with an annual production value of 120 billion Euros.

The founding of WMHA will greatly promote international cooperation in markets, technologies and standards of materials handling, and will play a positive role in improving China's materials handling technologies, strengthening the competitiveness of Chinese materials handling enterprises in the world market and their involvement in the formulation of international standards, and promoting the implementation of Chinese standards around the world.

### NEWS FLASH

On June 30, CAMCE and Ecuador Project Contracting Service signed a business contract on the Ecuador Esmeraldas Hospital Construction Project in Quito, capital city of Ecuador.

The project is located in the Esmeraldas city of Esmeraldas province of Ecuador, with a contract value of USD 51.599 million. The project is to build a hospital with 200 beds and its supporting infrastructure within 18 months.

The CAMCE Angola Longa Rice Planting Agro-Industrial Farm Project Completion Ceremony was held on June 3.

Minister of Agriculture Afonso Canga and Governor of Kuando Kubango Province Higino Carneiro led delegations to attend the ceremony.

Minister Canga cut the ribbon and unveiled the project on behalf of the Angolan President Dos Santos on the ceremony.

The minister spoke highly of the contributions CAMCE had made to the construction of the project, the development of Angolan agriculture and the training of its people.



## 100 "Dongfanghong" Tractors Were Headed for the New Silk Road

At 14:46 on August 16th, along with the long whistle of the train, the first railway freight train (81899) leaving from Luoyang towards Central Asia started on the journey smoothly, which is the first international railway freight train leaving from Henan Province to Central Asia this year.

With 59 carriages in total and 1041 tons of freights, this train carried 100

Dongfanghong YTO-C1402 crawler tractors produced by China First Tractor Group Co., Ltd. heading for Tashkent, Uzbekistan.

At this point, the order for 300 Dongfanghong crawler tractors in the Uzbekistan 2013 Government Procurement Project was completed.

The responsible person of the First Assembly Plant of China First Tractor Group Co., Ltd. said that in order to ensure

the quality of the national tractors, the First Assembly Plant controlled quality strictly in all production and manufacture links in accordance with the contract and international standards.

Meanwhile, they sent two batches of service personnel to go deep into Uzbekistan for onsite services and collection of product improvement information and market requirements.

## Two Exhibitions Are Ranked Among the World Top 50 Business Exhibitions Again

According to the 2014 World Top 100 Business Exhibitions list recently published

by the *Import and Export Managers* magazine, the Beijing International Automobile

Exhibition and the Shanghai International Exhibition for Auto Parts & Accessories,

Maintenance & Inspection Equipment and Service Products are ranked 27th and 37th, respectively among the top 50 exhibitions.

Last year, these two exhibitions were ranked 27th and 38th, respectively.

It is reported that the World Top 100 Business Exhibitions list is independently researched and published by Import and Export Managers and initially published in 2008 and the exhibition area is taken as the main basis for appraising business

exhibitions worldwide.

According to statistics, the average area of the 2014 World Top 100 Business Exhibitions is 195,000 square meters, which is greater than the average area of Chinese exhibitions. However, due to the rapid development and expansion in recent ten years, the number of Chinese exhibitions participated in the World Top 100 Business Exhibitions has increased from 4 in 2008 to 19 in 2014.

## CMEC Assisted First Lady of Sri Lankan in Charity



On July 6th, Sri Lanka President's wife Slanty Rajapaksa made an official visit to China. On July 7th, a meeting was held in China World Hotel, and CMEC was invited to attend the meeting.

In order to show its care and support for humanitarianism and charity work and respect for the first lady of Sri Lanka, CMEC made a donation onsite.

CMEC has been dedicated to practicing corporate social responsibility. It established the "Better Tomorrow" charity fund in Sri Lanka, donated computers to local schools, donated articles for daily use to flood victims in Colombo, and donated nursing and rehabilitation appliances to the National Tumor Hospital of Sri Lanka and Rehabilitation Center for the Disabled.

### NEWS FLASH

On the morning of August 8, the completion ceremony of CAMCE Agno River Integrated Irrigation Project in the Philippines was held.

Philippines and Chinese officials including the Philippine president assistant Francis N. Pangilinan and Commercial Counselor of the Chinese Embassy Jin Yuan attended the ceremony.

The project was commenced in February 2010 and completed in June 2013. It received the Certificate of Final Acceptance on June 28, 2014.

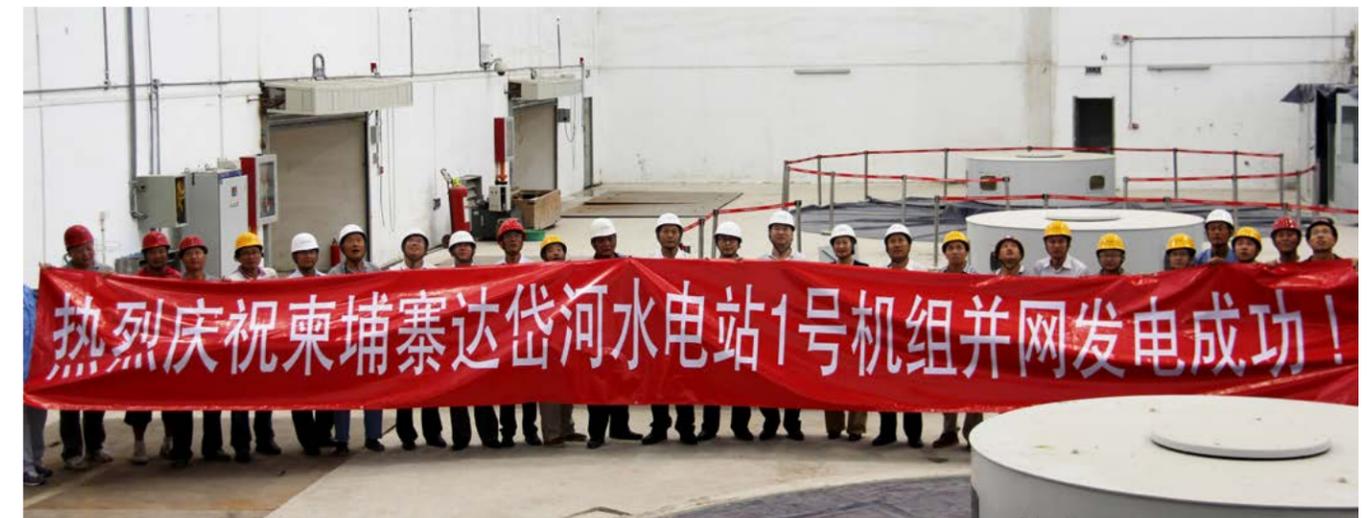


On June 25, CAMCE and CJSC EUROCEMENT group signed a framework contract on the Uzbekistan Akhangaran cement plant modernization project.

This project is located in the Akhangaran area of Tashkent Oblast in Uzbekistan for modernizing the Akhangaran cement plant within 34 months.

# Constructing the Classical Project of BOT and Building the First-Class Brand of CHMC

By: LiuTingjun



No.1 generator set of the Tatay hydropower station connected to the grid for power generation

At 10:08 on August 13th, 2014 local time, the No.1 generator set of the Cambodia Tatay hydropower station was commissioned and connected to the grid for power generation at a time.

At this moment, every decision-maker and constructor in the project feel profoundly proud and joyful. Furthermore, this important moment is a milestone in the construction of the Cambodia Tatay hydropower station.

Located in the southwest of the Cardamom Mountains of western Cambodia, the BOT project for the Cambodia Tatay hydropower station is on the Tatay river

segment about 300 km west of Phnom Penh and about 30 km northeast of Koh Kong.

Built in BOT mode, the project has an installed capacity of 246 MW, construction period of 5 years, and operation period of 37 years.

Its annual generation capacity is 849 million kilowatt hour.

With the investment of USD 540 million, this project is the largest project invested by Chinese enterprises in Cambodia so far.

The Tatay hydropower station is the first offshore BOT project invested by

CHMC and is highly valued by cadres at all levels and noticed by people from all walks of life.

The Tatay hydropower station is connected to the grid for power generated in advance, its rate of quality reaches 100% with zero major or above quality/safety accidents, and its investment is within the estimate.

These achievements are a handsome gift for CHMC's 34th birthday and an answer paper that CHMC delivered to SINOMACH and the government and people of Cambodia.

# Project Background

Cambodia is a member country of ASEAN. It has a weak industry basis and focuses on agriculture in its economy.

For many years, the Cambodian government placed economic development and poverty alleviation at the top of their agenda.

Due to the weak infrastructure and lack of unified national grid, Cambodia mainly relies on neighboring countries

for its power supply, which restrains its economic and social development and affects people's life. Therefore, strengthening the construction of infrastructure (such as power) has become the primary task of Cambodia.

Considering the rich hydropower resources contained in numerous rivers in Cambodia, the Cambodian government formulated the 10-year power development plan. According to the plan, by introducing foreign investment, 20 hydropower

stations with an installed capacity of 3000 MW will be built to export electricity to neighboring countries while meeting their own needs.

In addition, as two countries with traditional friendly relationships between them, China and Cambodia have close political intercourse and show a strong tendency of economic and trade exchanges. Based on the overall analysis, Cambodia is a valuable and exploitable international market.

# Project Development and Contract Signing



Signing ceremony of the BOT project for the Tatay hydropower station

Cambodia for deep research many times. After many rounds of communication and negotiation, they finally met the leader of the Cambodian government.

Impressed by CHMC's wish for participating in Cambodian infrastructure construction, sincere desire for win-win cooperation, and pragmatic and efficient style of work, the Cambodian government agreed to authorize CHMC to develop water resources in Cambodia.

On January 18th, 2007, CHMC and Cambodian Ministry of Industry, Minerals and Energy signed a feasibility research memorandum for the Tatay hydropower station. After that, they immediately en-

tachment between both parties, CHMC Chairman Lu Wenjun led a team to go to

To find the points of interest and at-

trusted and organized a survey and design team from Northwest Survey Design and Research Institute and Machinery Industry Survey Design and Research Institute to rush to the Cambodia Tatay hydropower station and complete the feasibility report in June. In September 2007, they entrusted China Hydropower Engineering Consulting Group Corporation to organize experts to review the feasibility report. In February 2008, the Cambodian Ministry of Industry, Minerals and Energy organized the rel-

evant government departments to review the feasibility report again.

On June 20th, 2008, CHMC, Cambodian Ministry of Industry, Minerals and Energy, Ministry of Finance and Economy, and State Power Corporation signed the execution agreement, power purchase agreement and land lease agreement on the BOT project for the Tatay hydropower station. The three important legal documents represent the official acquisition of the project development and manage-

ment concession granted by the Cambodian government.

In August 2009, the National Development and Reform Commission approved CHMC's investment in the construction of the Tatay hydropower station, which also gained the credit support of the Export-Import Bank of China.

On March 29th, 2010, the opening ceremony of the Cambodian Tatay hydropower station was held onsite, signifying the official launch of the project.

# Construction Situation

At the outset of the project, the survey location at the Cambodian Tatay hydropower station was in a primitive state, with rugged topography, steep cliffs and narrow valleys. Both hillsides of the station were covered with layers of bushes and trees and lush vegetation, and the geological condition of the construction site was complicated. In addition, mines and bombs during the war were found onsite, which causes great difficulty in the construction.

CHMC face with these difficulties without retreat.

With the fearless and daring spirit underneath, CHMC people rely on their passion on doing business, many years of project management experience, rigorous and cautious attitude, and mind of benefiting the Cambodian people to resolutely begin the construction of the Tatay hydro-



Opening ceremony of the Tatay hydropower station

power station.

There were various difficulties in the preliminary work for this project. Firstly, there lacked geological survey materials. Due to the long-term chaos of wars in Cambodia, a lot of materials were missing and therefore the design requirements of the design unit cannot be met. This greatly increases the workload of supplementary exploration and measurement and makes

the task strenuous and pressing.

CHMC organized a capable survey team to complete the supplementary measurement and survey tasks and the tree felling work at the construction site on schedule under poor transportation and communication conditions.

Based on its steady survey work, CHMC successfully started the project and completed damming in the first year,



Successful damming of the main dam

which is an auspicious start.

Before the main flood season in 2011, CHMC ensured the safety of the main dam. Before the main flood season in 2012, CHMC ensured the safety of the auxiliary dam and achieved the flood-carrying capacity of the spillway. On February 6th, 2013, the access tunnel was joined up. On November 16th, the gate of the diversion tunnel for the main dam was successfully closed. On November 26th, the diversion tunnel for the auxiliary dam was successfully closed.

In 2013, even though the schedule for constructing access tunnels was tight and mechanical and electrical installation was at its peak, CHMC had to pour concrete for all main/auxiliary dam panels and complete other tasks on schedule, including lining the tunnel, installing pressure steel pipes and pouring concrete. Therefore, the construction has high strength and great difficulty.

Meanwhile, CHMC people had to cut through mountains to build bridges so as to set up the output line of 63 km.

The Cambodian hydropower station faced unprecedented pressure and challenge.

However, with high morale, courage

to strive for success, and dedicated spirit, CHMC people completed the above node projects with good quality on time.

On June 23rd, 2013, Cambodia was hit by heavy monsoon rains that occur once in 50 years. The rapidly increased water level in Tatay river and KEP river caused a serious flood, which left the material yard and main/auxiliary dam afloat and threatened the intake section of the access tunnel.

The project company started the flood prevention emergency plan immediately, gathered engineering equipment rapidly, and organized people to rush into the rescue work and build dikes while transferring construction equipment in the access tunnel outside.

After an overnight fight of units in the construction, the flood was finally



Closing the gate of the Tatay hydropower station for water storage

conquered, ensuring the safety of ongoing projects.

According to the construction requirements, the project passed the gate-closing storage acceptance of the Chinese expert team and the quality approval of Proyry in Switzerland entrusted by the Cambodian Ministry of Industry, Minerals and Energy. On November 13th, 2013, the project obtained the approved document for closing the gate and storing water issued by the Cambodian Ministry of Industry, Minerals and Energy.

At 10:16 on November 16th, 2013, the gate of the access tunnel for the main dam was successfully closed for water storage.

The rushing water in Tatay river became tamed, and the situation of "Smooth lake in narrow gorges" appeared initially.

By persisting in using systems as rigid constraints, CHMC established and improved rules and regulations, earnestly implemented them, and strictly managed and controlled the project to ensure constant improvement of the project management level.

During the construction, the project company established and printed 65 man-



Reservoir area in the Tatay project on May 26th, 2014, with the water level of 193 m above the sea level

agement systems, including plan and contract management, supplies and materials procurement, engineering and technology management, construction equipment, and finance, etc.

From August 6th, 2014 when No.1 generator set was discharged to August 13th, 2014 when the generator set was commissioned and connected to the grid for power generation, it took only seven days for CHMC to create the record with the shortest time for installing and commissioning international generator set of the same scale.

The Tatay hydropower station is a Class I hydropower station with the largest installed capacity that is invested by Chi-

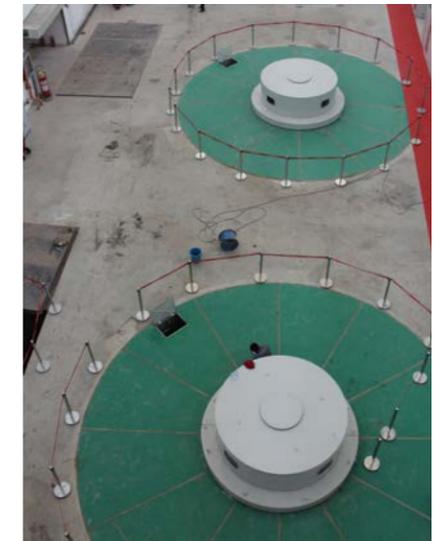
nese enterprises in Cambodia.

The construction and generation of the station mark a major breakthrough in CHMC's implementation of overseas BOT investment and promotion of business transformation and upgrades based on China's "Going global" strategy, and therefore are important to the quality-based development of CHMC.

The construction of this project will provide convenience for agricultural, industrial, and service development in Cambodia, vigorously promote the local economic and social development, and positively affect the promotion of pragmatic cooperation between China and Cambodia in the energy field.

With the smooth implementation of the BOT project, CHMC established good reputation and company brand in the Cambodian market, and promoted its "Region-based scrolling" development in the market.

CHMC's active promotion of BOT funding operation is a historic breakthrough in the development of foreign project contracting business modes, which expands and extends its original business domains and guides the company to achieve leapfrog development.



Three generator sets in the plant of the hydro-power station

## Appraisals

"The Tatay hydropower project not only is conducive to preventing flood, constituting a travel zone, providing job opportunities, and raising local resident's

income, but also will surely improve the power supply capacity and safety of Cambodia and reduce the electricity price. Therefore, the project plays an important role in the all-round social and economic

development and poverty alleviation in Cambodia.

—Hong Sen, Cambodian Prime Minister

"The Tatay hydropower project pro-

vides Cambodian people with a channel for technical knowledge exchange, especially knowledge about advanced hydropower technologies.

In addition, this project reduces fuel imports and carbon dioxide emissions and improves energy safety in Cambodia.

—Tong Lin, Cambodian Deputy State Secretary of the Ministry of Industry

“The Tatay hydropower project will promote the development of industrial projects and small-scale handicraft projects, reduce migrant workers in Koh

Kong, and increase a large number of job opportunities for the people.

Meanwhile, with strong power resources, we can establish special economic zones in Koh Kong.

—Wen Le, Koh Kong’s Provincial Governor

## Excellent Team

Talents are the foundation of corporate government and thriving business.

Talents are the primary productive force of corporate development and the core competitiveness of industry and trade corporations.

During the implementation of the BOT project, CHMC put emphasis on strengthening the cultivation, introduction and use of talents, and recruited talents by internal appointment and external introduction.

Deputy General Manager Zhu Xu was assigned by the company as the General Manager of the project company (Cambodia Tatay Hydropower Station Company) to be in charge of the BOT project for the Cambodia Tatay hydropower station.

For years, Zhu Xu has been stationed at the project site to strengthen the organization, implementation and control of the project.

Some key business personnel were selected from the whole company and ap-



General Manager Zhu Xu (in stripes) accompanied Koh Kong’s Provincial Governor Wen Le to inspect the Talay hydropower station project

pointed to different positions of the project company for training and cultivation.

Meanwhile, senior management talents and professionals wanted were recruited from the society. Through various channels, dozens of professionals in different fields joined the project company.

Years of experience has shown that after the construction of the BOT project

for the Cambodia Tatay hydropower station, this team has been built into a dedicated, responsible and tenacious team that dares to fight tough. It plays an important role in the product construction and has become a living force in CHMC’s development.

## Warm Congratulations on the Grid Connection Success for the BOT Project of Cambodia Tatay Hydropower Station



Panorama of Cambodia Tatay Hydropower Plant

CHMC is a project general contractor by providing integrated services mainly in fields of engineering contracting, capital operation, trade and service.

We have always been sticking to the philosophy: creating value for clients and growing with employees; striving for development and keeping up with social progress.



01	02
03	04

01: Hot Tandem Rolling Ultra-thin Strip Production Lines of Tonghua Iron & Steel Limited.  
 02: Ore Terminal With Annual Handling Capacity of 19 Million Tons, Rizhao Port  
 03: Inner Mongolia Yuanbaoshan Open-pit Coal Mine  
 04: Hainan Huarun 6000TPD Cement Plant

**WORK TOGETHER  
WIN TOGETHER**

