

Focus on East Asia activities

This issue of Aalborg Industries' "Marine Focus" deals with our local companies in the marine markets of China, Hong Kong, Korea and Japan. We hope that "Marine Focus" will be a valued input in the ongoing dialogue between us and provide information about us and our products that you did not previously have.

In terms of products, we have plenty of in-house subjects to choose from because Aalborg Industries designs and manufactures our own brands of steam and hot-water boilers, waste heat recovery boilers after diesel engines and gas turbines, thermal fluid heating systems, oil/gas-fired burners, heat exchangers, coolers, condensers, cargo heaters, and inert gas systems.

Our After Sales' network deals with the commissioning and servicing of our own boilers - from supplying spare parts to carrying out repairs and conversion jobs on just about any steam and heat generating equipment.

In case you have subjects you would like us to cover in our "Marine Focus", please let us know.

Invitation to see our Qingdao factory in China

The Far East boiler factory of the Aalborg Industries Group is located a half hour's drive from Qingdao in China's Shandong Province. In connection with a steadily growing number of orders placed with Aalborg Industries Ltd., the factory is completing its latest expansion with the inauguration of a 6,800 sq m production building in May this year when the summer begins. On the 50,875 sq m plot, this brings the total production area to 14,500 square meters of new and completely modern boiler manufacturing facilities.

In 2001, no less than 175 marine boilers were manufactured at the Qingdao factory.

The factory expansion means that the physical framework is in place to handle orders now and for a number of years to come. As regards production management and quality control at the quickly expanding factory, proactive measures have been taken to render increased practical support from the parent company in Denmark. Manpower for production management is being trained in the Qingdao factory to secure constant focus on optimised production procedures and schedules and, not least,



to secure a quality of international standard. "Delivery on time", "in full" and "of the expected quality" are strong focal points. Welding instructors from Denmark run regular training courses at the Aalborg Industries' Qingdao factory, and a close dialogue with all classification societies is maintained. Our customers are always welcome to visit the factory and learn about our production management and quality assurance, and to see their boilers during production. Please contact deputy director Mr. Zhang Shiming at the Qingdao factory or your local Aalborg Industries office to arrange a visit.

A quality conscious company

It is the objective of Aalborg Industries that our customers acknowledge us as a supplier and business partner who, at any time, covers their needs and expectations in the best way, and who is continuously improving its products and services.

Our quality-related activities are based on three parameters:

1) *The customer's needs and expectations*

- The customer must be able to rely on the ability of Aalborg Industries to deliver a quality product and be a trustworthy business partner.

2) *The company's needs and expectations*

- It is the expectation of Aalborg Industries that failure be limited to an absolute zero by taking proactive and preventive measures. The success of the company depends on its ability to meet customer demands and obtain high quality at the lowest possible costs. This will require optimum utilisation of the company's technological, human and material-related resources.

3) *Our employees' needs and expectations*

- Our employees must be proud to work at Aalborg Industries. The employees

must be aware of their function and take responsibility and show initiative. It is the policy of Aalborg Industries that realisation of the quality objectives involves all its employees. Thus, quality management activities do not only rest with the quality department. When carrying out their daily work, all employees must take responsibility for the company reaching the quality level required and desired by our customers.



Installation of KBSD steam atomising burner on MISSION™ OL boiler in Qingdao factory.

Aalborg Industries uses a quality standard which has to be complied with:

- *ISO 9001 certified quality management system*

All companies are to be certified according to Aalborg Industries guidelines. The system should assure the quality of the product, the services and quality in all working processes. This means identifying potential problem areas and building quality into the processes. Prevention is important, but inspection during production and final inspection of the product must also be carried out.

- *Quality assurance database*

The database is used for registering both potential and recognised quality deviations before initiating corrective and preventive actions. This tool is used to be sure that we analyse and find the root cause before starting up quality actions.

- *Continuous Improvement*

All companies must continually strive to improve their quality standards, and all employees have received the appropriate training in this field. The outcome of this training is that all employees get a thorough understanding of the quality we expect and become familiar with using tools for determining quality, assuring quality, measuring quality and improving quality.

- *Product quality*

All production companies must follow the guidelines described in the Aalborg Industries product quality manual, which is a supplement to drawings and specifications.

Ms. Eva Mortensen,

Group Quality Manager

Aalborg Industries A/S, Aalborg, Denmark

Service network

Are you looking for a qualified boiler service company in Pusan, Dalian, Shanghai, Hong Kong or Kobe?

Aalborg Industries has trained boiler technicians stationed in its offices in these cities. They have all been trained at the Aalborg Industries Group's headquarters in Denmark and are capable of carrying out all types of boiler inspections, service, repairs and conversions. The technicians are trained in maintenance and repair of all types of boilers, heaters and accessories such as burners and control systems whether PLC or relay-based. When commissioning new boilers, they are also able to train ship's staff in the proper maintenance and operation of the boiler plant.

Hong Kong:

The Aalborg Industries Hong Kong office was established in 1987 and presently has a staff of five in Hong Kong while the offices in Shanghai and Dalian are branch offices of the Hong Kong office. The main activities are sales of marine boilers, thermal fluid heaters, heat exchangers and spare parts in Hong Kong, Taiwan and China. In 2001, the company moved to Sheung Wan. ISO 9001:2000 certification for Hong Kong, Shanghai and Dalian offices in progress.

Hong Kong staff:

Mr. Ole Hybel-Hansen, *Mng. Director*

Mr. Jeff Cheung, *Project Adm. Manager*

Mr. Marco Wong, *Sales & Marketing Manager*

Shanghai:

The Shanghai office of Aalborg Industries was established in 1992 and has a staff of seven. Main activities are sales of marine boilers and heaters for

all types of ships including FPSO projects. Other activities are commissioning of boilers, service and sales of spare parts. In 2001, the company moved to the New Shanghai International Tower with a view of Shanghai Shipyard.

Shanghai staff:

Mr. James Le, *Chief Representative*

Dalian:

The fairly new and quickly developing Dalian office was officially opened in 1998 and has a staff of five. Main activities are sales of marine boilers, commissioning of boilers, and service. The company is located in the Dalian Gold Name Commercial Tower overlooking Dalian Shipyard and Dalian New Shipyard.

Dalian staff:

Mr. Wang Yong, *Chief Representative*

Qingdao:

The Aalborg Industries boiler factory in Jiaozhou City originates from the Qingdao Boiler Manufacturing Company established in 1974. From 2000, Aalborg Industries in Denmark has been sole owners of the Qingdao factory which moved to brand new premises in 2000. Since becoming part of Aalborg Industries, the Qingdao factory has turned out 1,000 Aalborg Industries marine boilers of many types, and various equipment for inert gas systems is manufactured as well.





Commissioning of boiler.

All engineering and production drawings are supplied by the sister companies in Japan, Denmark, Sweden, and Korea, and accessories such as burners and control panels are supplied from Denmark, Japan or the Netherlands. The factory has a staff of 237, and the main activity



Check and re-check, Qingdao factory.

of the ISO 9001 certified, 14,500 sq m factory is the production of boilers for the Group's customers in Korea, Japan, China, Taiwan and Croatia. ISO 9001:2000 certification by Det Norske Veritas held.

Main Qingdao factory staff:

Mr. Svenn Frandsen, *Managing director*
Mr. Zhang Shiming, *Deputy director*
Mr. Orla Nielsen, *Production Manager*

Pusan:

Aalborg Industries has been represented in the Korean market by various representative offices since 1988. The present office was established in 1995 and in June 2000 it became a private limited company, owned 100% by the Aalborg Industries Group. Besides engineering and sales of boilers, heat exchangers and inert gas systems, the Pusan office is a vital link between our many Korean customers and the Group's marine engineering companies in many other countries. In 2001, the office began rendering service to ships calling at the Pusan port. The company has a staff of 15. ISO 9001:2000 certification held.

Pusan staff:

Mr. Jens Hvas Olesen, *Managing director*
M. Hee Joon Park, *General Manager*
Mr. Axel Wetche, *GM, Project Management*
Mr. Kwi Seob Jeon, *Manager, After Sales*



2 x MISSION™ OL boilers installed in Korea.

Tokyo:

In the Yokohama/Tokyo area, the Tokyo office is responsible for sales of new marine boilers, heaters, heat exchangers, IGS/IGG and spare parts. The Tokyo office is a branch office of Aalborg Industries KK in Kobe. After suffering retirements last year, the Tokyo office is presently manned by Mr. Akio Funatsu, *Area Sales Manager*

Kobe:

Aalborg Industries KK has a proud history with roots in the Gadelius company. Aalborg Industries KK has a strong engineering basis, and apart from developing our own brand of inert gas system, the company designs various types of heat exchangers, boilers and economi-

Latest contracts completed

- 2 x 25 t/h MISSION™ OL oil-fired boilers with KBSD 1900 steam atomising burners and 1 x 1.5/1.2 t/h MISSION™ OC composite boiler for Hudong Shipyard, hull 1311A.
- 1 x 9,400 Nm³/h inert gas system with topping-up IGG for Daewoo, hull 5215 crude oil tanker.

Upcoming production

- 2 x 22 t/h MISSION™ OM oil-fired boilers with KB 1300 rotary cup burners and 1 x AQ-2 exhaust gas economiser for Dalian Shipyard, hull 450-5 product tanker.
- 2 x 22 t/h MISSION™ OL oil-fired boilers with KBSD 1900 steam atomising burners for Koyo Dockyard, hull 2161 product tanker.

sers in addition to the standard products of the Aalborg Industries Group.

The company has a staff of 40, and the main activities are sales and engineering of marine boilers, heat exchangers and inert gas systems (IGS + IGG) and full After Sales activities like commissioning, service, repairs and spare parts. The company also undertakes some industrial repairs and marketing of boilers. ISO 9001:2000 certification held.



WIESLOCH™ thermal fluid heater.

Kobe staff:

Mr. K. Ishiwata, *President*
Mr. N. Maki, *Sales Manager*
Mr. H. Kuroushi, *Sales Manager*
Mr. S. Negoro, *Manager, After Sales*

Dalian
— Pusan
— Kobe
— Tokyo

Qingdao
Shanghai
— Hong Kong

Licence agreement terminated

For 30 years, several types of Aalborg Industries' boilers were manufactured by Osaka Boiler Mfg. Co., Ltd. in Osaka for the Japanese market. As the agreement covered merely old designs of Aalborg boilers, it was decided to discontinue the agreement by the end of 2001 because Aalborg Industries' new MISSION™ boiler series has been so favourably received by the market.

Furthermore, Aalborg Industries now has a well-established engineering and sales office in Kobe, Japan, as well as a modern boiler factory in China on par with international standards. As boilers tend to keep as long as the ships they are installed in, we want our customers to get boilers which:

- are on the forefront of technological development
- are better suited for upgrades as the technological development moves on or marine laws make new demands on the operation of boilers.

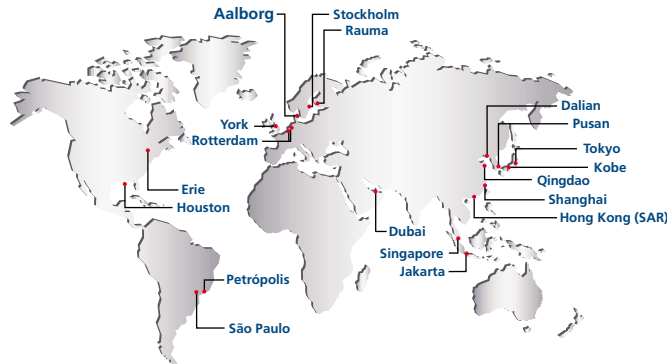
Well known boiler types like AQ-16 and AQ-9 have been favoured by our customers, but we have to draw our customers' attention to the fact that their replacements – the MISSION™ OC and MISSION™ OL – are the products we invest our future product development in. You could say that we invest in your future operating capability.

The Aalborg Industries Group offers full After Sales service with spare parts, repairs or service for the Aalborg-brand boilers supplied by licensees.



AQ5 composite boiler installed on shrimp trawler by After Sales in Denmark.

The termination of this licence contract means that the Aalborg Industries Group has no licensees left. Apart from a few specially selected outsourcing partners, all boilers from Aalborg Industries are manufactured at the Group's own factories in Denmark, China, Indonesia and Brazil.



Website

On the Aalborg Industries website www.aalborg-industries.com you will find information about our products and companies. Inquiry forms are available for many boiler and heater types as well as After Sales service. Brochures and datasheets can be downloaded.

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