

CHEOY LEE SHIPYARDS

Completed earlier this year, the Robert Allan-designed 32 metre ASD tug 'GPC Tesoro' left Hong Kong in January on a delivery voyage across the China Sea and the Pacific Ocean to a South American client



Company profile

Pioneering shipbuilder Cheoy Lee Shipyards has three strategic company locations. The company's head office is located in Hong Kong, the main construction centre is in Zhuhai, China (a short ferry ride from Hong Kong), and a Florida branch is utilised for equipment purchasing and yacht sales in the United States.

The Zhuhai site, named Hin Lee (Zhuhai) Shipyards, was established by Cheoy Lee in 1997 and was fully operational by September, 2000. According to Cheoy Lee, the return to mainland China after six decades of construction in Hong Kong was "a significant milestone in the history of the yard, unleashing the potential for cost competitiveness and expansion that the company duly seized". A crucial factor in the

success of this relocation was Cheoy Lee's commitment to maintaining first-rate construction and build quality in tandem with the competitive labour market. This was achieved without the negative consequences of sweeping cost cutting or outsourcing.

Hin Lee (Zhuhai) Shipyards occupies an area of 115,000 square metres, with an undercover construction area of 53,000 square metres. The facility is divided into three distinct zones based on construction/fabrication materials, with segregated areas for FRP, aluminium and steel shipbuilding respectively.

The modern facility caters to the construction of an assortment of vessel types, from oceangoing tugs to mega-yachts ranging from 15 to 70 metres in length. The company employs approximately 1,000 certified and skilled workers, with senior technicians and management hailing from the United States, the United Kingdom,

Singapore and Hong Kong. Vessels are constructed under survey to ABS, DNV, BV, LR, CCS, or other requirements where required and marketed worldwide.

History

Cheoy Lee's history stretches back to a facility named Ah Chang and Company located at Po Tung Point in Shanghai. As well as building new vessels, Ah Chang and Company had contracts to maintain the large fleet of inspection launches operated by the Shanghai Customs service. With steam being the primary means of propulsion of the times, the yard also built boilers and engines.

Run by the same family ever since, the operation moved to the then-British territory of Hong Kong in 1936 at the outbreak of the Sino-Japanese War. Initially established as Chean Lee Company in Hong Kong, the company specialised in the installation of mechanised propulsion systems on sailing cargo vessels to break through the Japanese blockade. The Japanese, however, soon increased the capabilities of their own fleet, to the point where new types of vessels were required. The fledgling Chean Lee Company, lacking the required facilities, was subsequently forced to close down.

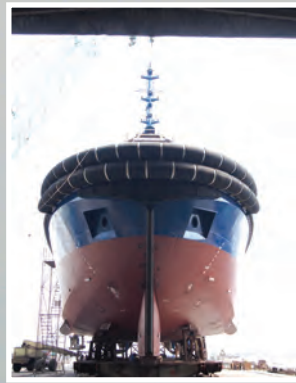
In 1940, one member of the family (the father of all eight of the currently serving Cheoy Lee management board), purchased a plot of land in Kowloon and established Cheoy Lee. Following World War II, the demand for coastal cargo vessels was high, and by the mid-1950s Cheoy Lee had diversified into the production of teak sailing and motor yachts, mostly for export to the United States.

It was during the 1960s that Cheoy Lee became one of the pioneers in the development, testing and use of FRP boat construction. Not long thereafter, wood construction was phased out. Constantly



Cheoy Lee's Zhuhai shipyard was established in 1997 to take advantage of mainland China's local shipbuilding expertise and competitive labour market

FOUR GENERATIONS OF HONG KONG SHIPBUILDING HERITAGE



Roll-out of a harbour tug from Cheoy Lee's shipbuilding facility



The Hong Kong-based 3,700kW harbour tug 'Taikoo'



Cheoy Lee's shipbuilding prowess includes decades of expertise in diverse materials such as FRP, aluminium and steel

improving its products, Cheoy Lee was to become a forerunner in the marine use of FRP/foam sandwich technology. In 1977, Cheoy Lee built the world's largest FRP yacht of the time, the 39.6 metre (130ft) motorsailer 'Shango II'. By 1979, the first all foam-cored production motor yacht came on line, the 14 metre (48ft) Cheoy Lee Sport Yacht.

Cheoy Lee's aptitude in composite construction benefits both the commercial and yacht wings of the company. Though the shipyard has built yachts in steel and aluminium in the past, Cheoy Lee's extensive experience in these materials is applied primarily to craft built for the commercial sector.

To date, Cheoy Lee has constructed over 5,000 vessels. Initially focusing on commercial craft, output in the 1960s through to the 1980s was heavily skewed towards yachts. Over the past two decades, however, the pendulum has swung back in the way of commercial vessels.

Cheoy Lee allows market forces to dictate where production is focused within each sector. The company is equipped to cater to all eventualities, and strives to be a leading producer of both commercial and pleasure vessels.

Professionalism and quality

At the heart of Cheoy Lee are eight brothers with four generations of shipbuilding heritage running through their veins. Between them, this management team of university and MBA graduates has expertise in all the critical areas needed for operating a large shipbuilding concern such as Cheoy Lee – from naval architecture to accounting and business administration.

This family setup allows for tight control over the company's diverse product line across three global locations, enabling an excellent spread over a broad sector of the

industry. With such a management structure comes great stability, and the prospect that Cheoy Lee will remain as a significant part of the industry for many years to come is steadfast.

In moving across the border to China in the late 1990s from the long-standing Hong Kong operation, the close proximity of the new site allowed Cheoy Lee to retain their core of long-serving management and foreman-level staff while also providing a backbone for the proper training of a new and local Chinese workforce.

The remainder of the company's roster is drawn from all regions of China's already-strong shipbuilding industry. Through the Hin Lee operation in Zhuhai, Cheoy Lee additionally operates a three-month training programme followed by an apprenticeship scheme to ensure the highest levels of quality and productivity from their staff.

The shipyard has ISO 9001:2008 certification and facilities are approved by all major classification societies. The yard builds top quality commercial vessels through to mega yachts for all regions of the world.

Recent deliveries

2012 started with the completion of Cheoy Lee's second major tug contract with the Panama Canal Authority. The final unit of thirteen 4,474kW ASD Z-Tech 6500 tugs was handed over in Panama in February, having followed the same trans-Pacific delivery route taken by her twenty-one predecessors. For each of these vessels, GE 12V228 engines drive two Schottel azimuth rudder propellers, a configuration that provides the Robert Allan-designed vessels with a free running speed of 12.5 knots and a bollard pull of 65 tonnes.

2012 also saw the delivery of the first two RAmports 3200CL tugs to Colombia of a three-tug order, while Z-Tech 7000 tugs were recently delivered to clients in

Singapore and Saudi Arabia. Another impressive Robert Allan design, the Z-Tech 7000 vessel achieves a 70 tonne bollard pull with only 4,000kW from a pair of Caterpillar 3516C engines.

Beyond the harbour tug sector, Cheoy Lee recently delivered four supply vessels to global clients. Two were 54 metre units for a Saudi Arabian customer, while the remaining two were 58 metre vessels, with anchor handling capabilities, for clients in Singapore and Argentina.

From the FRP division, 2012 saw a multitude of vessel orders fulfilled. These orders included the last of four 13.7 metre Hong Kong pilot vessels, four 15 metre pilot vessels for PSA Marine in Singapore, and two 32 metre catamaran ferries for Hong Kong and Kowloon Ferries.

With the exception of several yacht deliveries, 2012's deliveries were concluded with two custom 35 metre barge projects for Cheoy Lee's long-standing client HUD. The barges are designed and built specifically to pair up with a 21 metre multi-purpose tug that Cheoy Lee will complete shortly.

2013 opened with two 30 metre steel hull/FRP launches for Hong Kong Electric Company, followed by the third and final vessel in the Colombian RAmports 3200CL tug contract. At the same time, another RAmports 3200CL was delivered to SAAM in Chile. For all these vessels, Caterpillar 3516C engines provided power to Schottel SRP 1515FP drive units for a bollard pull of 70 tonnes.

Most recently, Cheoy Lee is delivering a 23 metre aluminium patrol vessel for Brunei, as well as the first of four 50 metre anchor handling tugs for Singapore, a vessel reviewed in this issue of *Work Boat World*.

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