
24 June, 2016

Dear Valued Customers,

A new regulatory rule adopted by the International Maritime Organization (IMO) to the Safety of Life at Sea (SOLAS) Convention concerns all loaded containers. Effective on 1st July, 2016, all containers scheduled for loading onto vessel must verify with its gross weight. Without a verified gross mass, the packed container will not be boarded onto the vessel.

Verified gross mass, in short VGM, consists of the certified container's tare weight plus the weight of the cargo packed inside. VGM will be adopted for vessel planning so that containers boarded onto vessels are safely stowed.

Base on the SOLAS convention, there are 2 methods to obtain the VGM:

Method 1: Weigh the container after packed, excluding the weight of the vehicle, trailer or, chassis.
Method 2: Add up the weight for all cargoes, contents and fixtures plus the container tare weight

For LCL cargo, S-sense Logistics is responsible for the VGM submission to the vessel carrier for loaded containers. We trust that gross weight provided by our customers or on behalf of the actual shipper is genuine and accurate. S-sense Logistics will accept VGM as a part of documentation submission to our operation team for us to handle the shipments.

For the company to coordinate subject regulations, which require extra labor force and process, will lead to substantial increase in cost and complexity for us to carry out our operation flow. We would need to apply a reasonable level of surcharge for this practice. Therefore, with effective from 1st July, 2016, following VGM administration fee will be applied for export cargo:

LCL cargo:

Administration fee USD 15.00 per Bill of Lading

FCL cargo:

Administration fee USD 40.00 per container

Additional reference for IMO's VGM requirements can be found at the following website:

IMO's Verification of the gross mass of a packed container

<http://www.imo.org/en/OurWork/Safety/Cargoes/Containers/Pages/Verification-of-the-gross-mass.aspx>

The World Shipping Council: Guidelines for Improving Safety and Implementing the SOLAS Container Weight Verification Requirements

http://www.worldshipping.org/industry-issues/safety/WSC_Guidelines_for_Implementing_the_SOLAS_Container_Weight_Verification_Requirement.pdf

The Marine Department of HKSAR: New Requirement on the Verified Gross Mass of a Container Carrying Cargo under SOLAS Chapter VI, Regulation 2

http://www.mardep.gov.hk/en/pub_services/ocean/miss_vgm.html

We will keep a close watch on both local and global market, provide all useful information, keep customer and partners update with this new regulation.

Appreciate your full cooperation and welcome your further inquiry with our customer service team.