



T.S. LINES

T.S. LINES New Bunker Surcharge "NBAF" Notice

Owing to IMO 2020 regulation will come into force from 1st January 2020, all ocean carriers are obliged to consume low sulphur fuel with sulphur content less than 0.5%. T.S. Lines is also taking steps in preparation to switch from HSFO to LSFO. Considering the uncertainties of LSFO and MGO supply which will lead to price hike towards the end of this year. Bunker tanks will also require lead time for cleaning before LSFO could be supplied. As a consequence, we will introduce New Bunker Adjustment Factor (NBAF) surcharge to reflect additional bunker cost from 1st of November of 2019 over our Asia trade services.

The followings are outlines of our New Bunker Adjustment Factor (NBAF) mechanism:

- * Surcharge Name: New Bunker Adjustment Factor (NBAF)
- * Compute Mechanism: Form 2 groups by distance table and correspond to adjustment factors of respective group. Set USD50 as spread of bunker price raise.
- * Bunker Source: Recent 1 month bunker price average of HKG MGO.
(e.g. Effective of 1st/November NBAF Surcharge will base on average **HKG MGO price USD 551-USD 600** of 16th/Aug. to 15th/Sep. period.)

NBAF CLASSIFICATION	GROUP	FACTOR	SPREAD USD50 of HKG MGO PRICE
			RATE INCREMENT
INTRA-ASIA	GROUP 1	0.16	\$8
INTRA-ASIA	GROUP 2	0.30	\$15

- * Scope: Asia Import/Export Services.
- * Effective Date: 1st/November/2019 (To be adjusted on monthly basis)
- * Charging Mechanism: Import and export covered by below matrix.

Review Scheme (per teu)

NBAF Classification	HKG MGO AVG. PRICE		\$401-\$450	\$451-\$500	\$501-\$550	\$551-\$600	\$601-\$650	\$651-\$700	\$701-\$750
	Group	Factor	BAF tariff	BAF tariff	BAF tariff	BAF tariff	BAF tariff	BAF tariff	BAF tariff
INTRA-ASIA	GROUP 1	0.16	\$16	\$24	\$32	\$40	\$48	\$56	\$64
INTRA-ASIA	GROUP 2	0.30	\$25	\$40	\$55	\$70	\$85	\$100	\$115

- * For reefers: NBAF will be applied 1.5 times of standard dry container.
- * For China-Taiwan trade NBAF will announce separately.
- * For Shanghai-Japan trade NBAF will announce separately.
- * For India, Pakistan, Australia trade NBAF will announce separately.

Group 1 and Group 2 is categorized by distance as below:

POL ROD	JAPAN	KOREA	N.PRC	C.PRC	FUJIAN	S.PRC	HONGKONG	TAIWAN	PHILIPPINES	VIETNAM	CAMBODIA	THAILAND	SINGAPORE	MALAYSIA	INDONESIA	MYANMAR
JAPAN	-----	1	1	1	1	1	1	1	2	2	2	2	2	2	2	2
KOREA	-----	-----	1	1	1	1	1	1	2	2	2	2	2	2	2	2
N.PRC	-----	1	-----	-----	-----	-----	1	-----	2	2	2	2	2	2	2	2
C.PRC	-----	1	-----	-----	-----	-----	1	-----	1	2	2	2	2	2	2	2
FUJIAN	1	1	-----	-----	-----	-----	1	-----	1	1	1	2	2	2	2	2
S.PRC	1	1	-----	-----	-----	-----	1	-----	1	1	1	2	2	2	2	2
HONGKONG	1	1	1	1	1	1	-----	1	1	1	1	2	2	2	2	2
TAIWAN	1	1	-----	-----	-----	-----	1	-----	1	1	1	2	2	2	2	2
PHILIPPINES	2	2	2	1	1	1	1	1	-----	1	2	2	1	2	2	2
VIETNAM	2	2	2	2	1	1	1	1	1	-----	1	1	1	2	2	2
CAMBODIA	2	2	2	2	1	1	1	1	2	1	-----	1	1	1	1	2
THAILAND	2	2	2	2	2	2	2	2	2	1	1	-----	1	1	1	2
SINGAPORE	2	2	2	2	2	2	2	2	1	1	1	1	-----	1	1	1
MALAYSIA	2	2	2	2	2	2	2	2	2	1	1	1	1	-----	1	1
INDONESIA	2	2	2	2	2	2	2	2	2	1	1	1	1	1	-----	1
MYANMAR	2	2	2	2	2	2	2	2	2	2	2	2	1	1	1	-----