

Royal Cargo Transports Massive Equipment to CDO

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Royal Cargo, the country's leading project logistics service-provider in the Philippines successfully transported the major equipment for the completion of the 3 \times 55 MW Coal-Fired (CF) Balingasag Power Plant in Misamis Oriental.

Two units of massive Ship Unloaders from Zhangjiang, China arrived at the Balingasag jetty on February 13, 2016, each weighing 565M tons and with dimension of L-22.50 x W-18.5 x H- 59.58 Meters (24,800 CBM in volume).







Royal Cargo Inc.'s President, Mr. Elmer Francisco U. Sarmiento was recently elected at two major industry associations. Last March 9, 2016 he took the oath as a member of the Board of Directors for the Cold Storage Sector of the Cold Chain Association of the Philippines (CCAP) and last April 15, 2016, he was again elected as one of the Board of Advisors to the Management of the Worldwide Projects Consortium (WWPC) held in Panama.

As a member of the Board of Directors, Mr. Sarmiento will serve a one (1) year term for the year 2016 - 2017 to develop new and improve existing policies relating to the Cold Storage sector.

As one of the Board of Advisors to the Management, he will be serving for 12-months to take part in evaluating new members of the consortium as well as to guide the two company directors in achieving the mission and vision of the group.

my election in the Board of Advisors of WWPC and CCAP. My election augurs well for Royal Cargo too as it brings to fore our company's name as a dominant player in project logistics and cold storage business in the Philippines."

CCAP is an association of temperature controlled product storage and distribution companies representing a collective interest in policy making, standards setting and industry development. The WWPC is composed of the qualified professionals globally who specialize in managing international heavy and outsized cargo movements.

Royal Cargo Inc is one of the active members of CCAP. In 2015, the company unveiled the country's first-ever Solar-powered Cold Storage facility located in Binan, Laguna. The company is also the sole member of WWPC coming from the Philippine islands.

From the Royal Cargo family, congratulations to our dear President and keep up the excellent work.





ROYAL CARGO VIETNAM CARRIES MEDICAL EQUIPMENT TO CAN THO

Royal Cargo Vietnam is the official logistics service provider of all the medical and hospital equipment donated by the French government to Vietnam's Can Tho Hospital.

As the nominated logistics company by a well established French firm, Royal Cargo has been tasked to carefully handle the trucking, barging from Ho Chi Minh port to Can Tho, and delivery of medical equipment with an approximate weight of 400 tonnes.

"These are very important and sensitive shipment, ensuring the safety and security of these machines until it reaches Can Tho Hospital is our main priority," said General Director for Royal Cargo Vietnam, Mr. Tuan Van Nguyen. He also added that a crane lifted large-size equipment that did not fit the elevator, making the movement more challenging. "We are happy that we have successfully delivered the initial batch of shipment safe and sound, we're excited to transport the upcoming shipments from the Official Development Assistance (ODA) of the French Government."





The project is part of the Advanced Health Equipment package donated by France's ODA that aims to equip Can Tho Hospital with over 3,000 advanced machine including Magnetic Resonance Imaging (MRI) scanner, computerized tomography scanner, Digital Subtraction Angiography (DSA) machine, and dialysis machines. After completing the project, Can Tho General Hospital is expected to become the speciliazed medical center for the entire Mekong Delta Region.







ONLINE TERMINAL APPOINTMENT BOOKING ROLLS OUT IN MANILA

The Terminal Appointment Booking System (TABS) is an electronic platform to book containers from the major ports of Manila. With TABS implementation, all truckers and freight forwarders will be required to have a confirmed schedule before making any transaction inside the port.

Last March 14, 2016, the implementation of Points Debit started wherein every booking to pick up or drop off containerized shipments will incur Royal Cargo corresponding points depending on the schedule of transaction. One (1) Point is equivalent to one (1) Philippine Peso.

This additional fee is not yet included in the existing rates reflected in the agreements with long time clients of Royal Cargo. Therefore, starting March, RCI shall initially settle the amount of fees for each shipment and shall invoice the clients accordingly. As proof of payment and basis for billing, Royal Cargo shall present the transaction history from its TABS account as well as the corresponding invoice reflecting the container number used for the shipment.

TABS Point Deduction

A corresponding amount of points shall be deducted for every successful booking transaction depending on the day and time of schedule.

ZONE DEMAND MATRIX		
Demand	Schedule	Point Deduction
Zero	Sunday to Monday Morning	0 pts / FREE
Medium	Monday Evening to Tuesday	300 pts
High	Wednesday to Saturday	1000 pts

Given the above matrix, Royal Cargo is geared towards booking FREE transactions especially to non-urgent shipments of our clients. However, for urgent shipments whose schedule will fall under the Medium and High demand, our company is forced to initially settle the corresponding amount.

Exemption from Truck Ban along Roxas Boulevard

All trucks with confirmed transactions via TABS will be exempted from the Truck Ban along Roxas Boulevard.

Trucks are encouraged to arrive on time to avoid penalties and delay.

Royal Cargo Improvement Plans

Royal Cargo is currently working on rates that will include the said additional fee which will soon be applied for both our existing and new clients.

The company is planning to put up a garage near the Ports to ensure on-time deployment of trucks and avoid the unpredictable traffic situation.



Noteworthy

IMO Crafts Policy on Gross Mass for Cargoes

The International Maritime Organization (IMO), in collaboration with industry representatives, has announced the implementation of specific rules as part of the SOLAS (Safety of Life and Sea) Convention requiring shippers of a packed container to verify and indicate to the carrier or port operator the Verified Gross Mass (VGM) before a box is loaded onto a vessel.

The VGM policy which will be effective starting July 1, 2016, aims to prevent major incidents at sea and on shore arising from packed containers with incorrect weight declarations. All containers will not be allowed on-board a vessel unless the carrier and the port/terminal operator have obtained

VGM in advance as the information will be used for the stowage plan of the vessel.

Implementation on a National Level

In the Philippines, the Philippine Ports Authority (PPA) is yet to issue an order collating all previous rulings on the weighing of containers, to align with the IMO's VGM policy. A comprehensive guideline is expected to be released by the PPA to address some clarifications from the cargo and shipping community including the: deadline for providing VGM information, penalties or sanction for erroneous information, and other procedures regarding the implementation of the said policy.

RCI Demonstrates Commitment to ABC Compliance

Royal Cargo Inc. added another feather in its cap after completing a comprehensive anti-bribery due diligence review administered by TRACE, the world's leading anti-bribery standard setting organization.

TRACEcertification is based on the highest international standards and underscores Royal Cargo's commitment to transparency in international commercial transactions.

The company's Legal Manager, Atty. Roville Sunga, led Royal Cargo Inc. through the due diligence review. The completion of TRACEcertification signifies that Royal Cargo Inc. has completed internationally accepted due diligence procedures and has been forthcoming and cooperative during the review process.

Royal Cargo Group CEO Mr. Michael K. Raeuber said that completing TRACEcertified due diligence sends a strong message to business partners. "We shall continue to adhere to the standards of clean and fair business dealings which we have been promoting in our day-to-day operations."



Since 2012, the company has affirmed its commitment to its ABC policy that prohibits all executives, employees and/or agents to commit any form of bribery and corrupt practices. Royal Cargo has been firm in its stand on carrying out its business in a free, fair, and competitive environment in accordance with prevailing municipal and international laws.





Facilitated by Neville Clarke Philippines, a leading consultancy and training organization specializing in providing Training Led Consultancy; Top Management, Head of Departments and selected Managers of Royal Cargo, Inc. undergone the ISO 9001:2015 Kick Off Training last January 25, 2016 at The Bellevue Manila, Alabang, Muntinlupa.



The main objective of the training is to provide the Management team of insights on the major changes of ISO 9001:2008 and its effect on Royal Cargo's current Quality Management System. Their understanding on the key changes and the challenges on the implementation are very critical in the smooth transition from the old

version (2008) to the new one (2015).

ISO 9001:2015 replaces previous editions, thus certification bodies were given three years to migrate certification to the new version. The most noticeable change to the standard is the focus on risk-based thinking.







INTERNAL QUALITY AUDITORS NOW ISO 9001:2015 EQUIPPED

Twenty-six (26) employees from different departments and branches in Luzon who were appointed by their respective HODs have undergone the two-day-training on Internal Quality Auditor: ISO 9001:2015. They will be part of RCI's Internal Quality Management System Auditors. The training was conducted last March 17 to 18, 2016 at RC2 Training Room.

The main objective of the training is to equip the team with Internal QMS Auditing know-how and provide them the insights on the transition of ISO 9001:2008 to 2015 version and its effect on Royal Cargo's current Quality Management System.



The following employees topped the IQA examination conducted after the training:

1st Lynda Kristi Sarte (CSR)
Janina Mangaluz (CL Cold)

2nd Mimmie Rutor (CL Cold)
Jill Viray (FUNS)
Stella Segundo (PHL)

3rd Lenilyn Santiso (Legal)
Raquel Nacinopa (CCB)
Migs Malate (PC)

Special mention goes to Janina Mangaluz (CL Cold) and Karlo Padua (CL Cold) who both got prefect scores on Part II of the examination (selection of appropriate clauses of ISO 9001 standard).

The new members of IQA will join the existing team conduct the internal audit this year. As IQAs, part of their duties is to assist their respective departments in ensuring compliance to ISO 9001:2015.





...From Couer

Vice President for Projects and Heavylift of Royal Cargo, Mr. Rodrigo de Roma said the sea transportation and handling were quite risky and very challenging since these major equipment are so vital in the completion of the said power plant. "We played an important role to safely unload and handle these gigantic equipment at the installation rails". Royal Cargo was tasked to provide and install the temporary structures and special stevedoring works that requires a lot of cutting of huge steel shoring and bracing welded at 9mm thickness onto the two (2) units of cargoes prior to unloading using a barge crane.

Another ship is set to berth at the Cagayan de Oro port almost the same time carrying 165 Tons Steam Turbines and 120 Tons generators and other equipment for the power plant. Royal Cargo's scope of work includes transportation, rigging and installation onto their foundations.





The Balingasag Powerplant is a 165MW coal-fired powerplant in Misamis Oriental which will augment the supply of electricity in Cagayan de Oro and northern Mindanao grid.

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Royal Cargo, the leading project logistics service-provider in the country carefully unloaded and transported over dimensional and heavy lift cargoes for the Pagbilao Energy Corporation's (PEC) Unit 3 coal-fired thermal power plant in Pagbilao, Quezon Province last February 10, 2016.

With an approximate total weight of 285 tonnes, the four (4) units of Relative Humidity (RH) Modules and a unit of Steam Drum were carefully rolled-off the vessel by two heavy lift tractor heads and a self-propelled modular transporter (SPMT), respectively, before being transported to the PEC's Unit 3 site.

President for Projects and Heavylift of Royal Cargo. He added that the company aims to continuously provide project transportation works for the up and coming energy-related constructions in the Philippines. "With the government and private sector's aggressive move to secure a sufficient energy supply in the country in the next few years, we want to help out by means of safely and securely transporting the over dimensional and heavy lift cargoes for powerplant constructions."

The heavy lift cargoes are part of the construction of the 420 MW expansion of PEC aiming to further boost the country's energy security. The Unit 3 is also slated for testing and commissioning starting mid-2017.





RCI HOLDS 1ST STAFF TOWN HALL MEETING 2016



Last February 12, Royal Cargo held the first Staff Town Hall for 2016 at the Royal Cargo Yard in Paranaque City with the theme, "To your body be kind, keep health in mind".

Vice President for Airfreight, Mr. Darryl Modelo started the program with the prayer, followed by the President, Mr. Elmer Francisco U. Sarmiento with the opening remarks.

To jumpstart the program, each business unit presented their one-minute slogan on how they practice and promote healthy lifestyle in the workplace. Contract Logistics Cold bagged the Grand Prize, Brokerage/RGSI/TMW group won second prize and the Freight Division went home with the third prize.

HR Manager Ms. Janet Husmillo also shared among the employees the top findings during the recently concluded Annual Physical Examination (APE). As part of the company's mission to ensure the welfare of its employees, the company invited Dr. Anacin, Wellness Supervisor of Coco Life who discussed the healthy and balanced lifestyle for employees.

Group CEO, Mr. Michael K. Raeuber, President, Mr. Elmer Francisco U. Sarmiento, and COO, Mr. Andrew K. Raeuber also accommodated questions from the ranks, and laid the plans and goals of the company this 2016.





Some of the most notable questions from the Open Forum are as follows:

Q: With the advent of virtual offices, is Royal Cargo open to adopt the Work from Home policy?

A: (Answered by Mr. Michael K. Raeuber) We are open to adopting policies that may benefit both our employees and our company. We will look into this possibility in the future.

Q: Will the Management allow employees who do not maximize the use of Vacation Leave (VL) to convert them into cash incentives life the Sick Leave?

A: (Answered by Mr. Michael K. Raeuber) As much as we would want to consider, our company promotes a healthy lifestyle. We encourage everyone to use the VL to unwind, relax, and free your mind from work-related tasks at least once in a while.

The group also celebrated the birthday of Mr. Michael Raeuber with a sumptuous dinner after the program.



RCI CELEBRATES PRESIDENT'S BIRTHDAY

Just over a week after the New Year, the Royal Cargo family gathered to celebrate the birthday of its President, Mr. Elmer Francisco U. Sarmiento.

Held at the headquarters' yard, the program started with a solemn prayer led by Mr. Rodrigo de Roma, vVice President for Projects and Heavylift, followed by a heart-warming remarks from Ms. Loida Tasis, Vice President for Functional Services.



Each department creatively greeted the President before everyone cheerfully sang the Happy Birthday Song. The crowd burst in laughter with the surprise short skit performance about the love life of Mr. Sarmiento. Led by Lola Nidora (Jem Demafelix (Domestic Freight) and Lola Tinidora (Ace dela Cruz), together with Tradelane Manager Mr. Daniel Florentino as the young Mr. Sarmiento, Airfreight Executive Assistant Ms. Jerilyn Manalili as Mrs. Edna Sarmiento and Mr. Darryl Modelo, VP for Airfreight, the group successfully tickled the Birthday celebrant as well as the employees with their funny antics and awesome acting performances, "KalyeSerye" style!

Mr. Sarmiento wrapped up the program with his closing message thanking everyone for another memorable birthday celebration with the Royal Cargo family. Mrs. Edna Sarmiento and Ms. Zaza Sarmiento, wife and daughter, respectively, also attended the party.

Sumptuous dinner was served right after the program.

HSSEKICKS OFF 03 HEALTH AND SAFETY TRAININGS

The Health, Safety, Security, and Environment department of Royal Cargo Inc. conducted a series of Health & Safety Trainings for the third quarter of 2015:

DEFENSIVE DRIVING & ROAD SAFETY TRANSPORT TRAINING held last February 21 and April 9, 2016 in Paranaque City. The QHHSE department of RCI conducted the Road Transport Safety, Handling & Storage, Loading & Unloading procedure, and Fatigue Awareness training to all drivers, helpers, truckers, and haulers to ensure that all staff and subcontractors are informed on their roles and responsibilities in the operations.

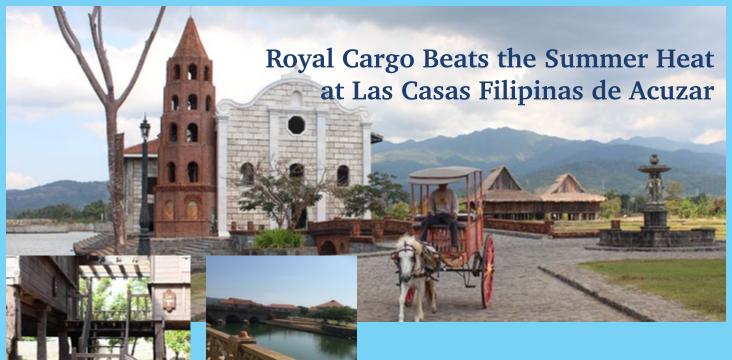
FIRST AID AND BASIC LIFE SUPPORT TRAINING held last March 9-11, 2016 at the Royal Cargo Training Room in Parañaque City. RCI in partnership with the Philippine Red Cross Paranaque Chapter conducted the training to all the members of the Emergency Response Team (ERT) of the company.

FIRE DRILL held last February 29, 2016 at the Royal Cargo Head Quarters in Parañaque City. RCI in partnership with the Bureau of Fire, Paranaque Chapter, Filipino-Chinese Fire Volunteers - Paranaque, and the Emergency Response Team of Barangay Sto. Nino, Paranaque City conducted the Fire Drill to all the employees of the company based in the head office.







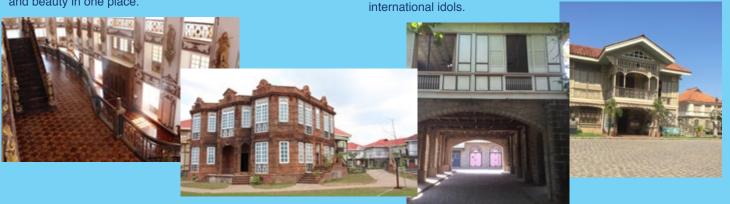


Last April 2 and 3, 2016, the Royal Cargo group traveled all the way to the North to welcome the summer season at the Las Casas Filipinas de Acuzar in Bagac, Bataan.

With the theme, "Best Summer Ever," over 500 employees from the top management down to the ranks joined and enjoyed the whole day filled with activities. According to Royal Cargo President, Mr. Elmer Francisco U. Sarmiento, the company outing is one way to give back to its determined and hardworking employees who strived hard year round." He also noted that the Royal Cargo group deserves only the best, the main reason why it has chosen Las Casas Filipinas de Acuzar, a fusion of history and beauty in one place.

A series of activities were available for employees to enjoy including, indoor Filipino games, water activities, and the heritage tour. With a tour guide, the employees wandered around the resort to see the spectacular views and to know the history of each vintage Spanish houses. After a busy afternoon under the heat of the sun, the group convened at the beach area for the evening event.

Hosted by HR Manager Ms. Janet Husmillo and Marketing & Communications Specialist Mr. Reymer Salvador, the Royal Cargo group showcased their talents and skills with the group presentation lip sync battle. Five groups composed of the different business units displayed their brilliance in dancing, singing and acting while portraying the theme, "Best Summer Ever." Twelve (12) brave and talented souls also vied for the Ultimate Lip Sync Battle title who dressed up and performed like their local and





For the group presentation, Lima Logistics Batangas brought home the 3rd prize, Projects and Heavylift group bagged the 2nd prize, and Customs Clearance & Brokerage snatched the Grand Prize. It was a very tight race for the Lip Sync Battle which resulted to a two-way tie for the Grand Prize. Alfred Roquero (Comptrollership and Tax Division) won the 3rd prize with his ala-Michael V. performance of "Hindi Ako Bakla", Jennifer Villamar, the Regine Velasquez of the Own Fleet department bagged the 2nd prize for her "Tuwing Umuulan" performance. Ricardo Quizona (Brokerage) and Jerwin Jestre (BPO) both took home the title with their Tina Turner and Beyonce performances.





Group CEO of Royal Cargo, Mr. Michael K. Raeuber ended the event with a brief message to everyone. He said that he may compare the beauty and grandeur of Las Casas Filipinas de Acuzar's concept and architecture to the employees and services of the company --- certainly unique. Mr. Raeuber reminded everyone to continuously maintain the passion and love for work which adds flavor to the resonating good performance of the company.







AGC WINS THREE MAJOR AWARDS AT THE AGC CEO AWARDS

Asahi Glas Corporation (AGC) Philippines, Inc. recently bagged three (3) major awards from the AGC CEO Awards 2016. The Philippine unit of AGC won the Excellent Cost Reduction Plant Award (Bronze), Excellent Business Support System Award (Bronze), and Environmental Contribution Award for Environmental Topic Field (Special Prize).

AGC Group has set up a system for offering CEO awards with the goal of creating a positive corporate culture that recognizes the contributions and efforts of its members. This system has encouraged all affiliates of the AGC Group to strive harder and improve their day-to-day operations.

In the Philippines, AGC, through Royal Cargo, started the strict implementation of new procedures to ensure that glass products are packed and systematically stored in good condition, enabling

the company to reduce a huge amount of management losses. This breakthrough in the inventory control led to less breakage and resulted to a 100% Inventory Record Accuracy (IRA). This magnificent improvement made AGC Philippines the deserving contender for the award.

Behind the spotlight is the dedicated and hardworking team of Royal Cargo led by Ms. Abby Lucban under the leadership of Mr. Allan Soriano, VP for CL Dry strived and worked hard to carry out the plans and procedure that helped AGC to win the said awards. In a brief message, Ms. Lucban said, "It is a pleasure for us (Royal Cargo) to be an instrument in the success of our clients."

Last January 2015, AGC Philippines contracted Royal Cargo Inc. as a Third Party Logistics (3PL) service provider for their Warehousing and Distribution requirements. Aside from providing 3PL services, Royal Cargo also operates and manage its own warehouse facilities, both dry and temperature-controlled, nationwide.







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