

LETTER FROM THE OWNERS**Market Update**

The collapse of Hanjin Shipping reflects the softness and trouble of current market. China, which is our core market, has been converting its manufacturing economy to service economy. China is no longer a preferred source of cheap labor. Fewer products are being made and shipped from China. Both air and ocean carriers dropped rates since the beginning of this year. Competition among carriers and freight service providers has been extremely severe. Only when it is approaching the end of 3rd quarter do we see the market picking up, the market seems to recover partially.

**Performance**

Nevertheless, Everglory continues to grow although our growth is not as much as what we achieved in previous years. In first 7 months of 2016, we handled 6500 shipments while we had 6000 for same period of 2015. The support of new customers that we secured this year replaces the shortage of revenue and tonnage from some customers whose business has slowed.

In January 2016, Everglory acquired Liteship Customs Broker, which is now Everglory Customs Broker. I believe prospective customers would prefer us to provide full service of freight and brokerage. Our US headquarters office in Boston moved in May to the new location at 175 McClellan Highway, East Boston. With much more spacious and comfortable workplace (of 5300 SQF), we are able to recruit more staff members, especially sales staff. Now that we have a great team of totally 10+ sales staff in our US offices, we present ourselves more often to customers and position ourselves more competitive.

In August, we signed and committed to changing our operating software provider. We are now in the process of implementation. It may take months to complete. We target to start using this new software early 2017. This new software will enable Everglory to cope with high demand of technologies that facilitate streamline of supply chain, improve our service to customers, and make our work more efficient. Imagine that we use only electronic documents, saving hundreds or thousands packs of paper, we sync data and avoid double-entry, and we have much better visibility and access on shipping information, etc.

Our future

The success of Everglory is an achievement by all staff employees who have worked extremely hard. The management thanks you for your loyalty and dedication. In the near future, Everglory will continue to build more offices and expand our network. There is more good news to come.

Joe Phan, President

LEAD STORY

CHINA QUARANTINE RAPIDLY TAKING STEPS TO PROTECT FROM ZIKA, REQUIRES OCEAN CONTAINERS FROM US TO BE TREATED

The World Health Organization has declared the U.S. on their list of Zika transmission countries. Because of this, China's agency governing agency, the Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) has required all countries on its Zika-infected list comply with disinsection requirements. This policy dates back to March 5th, so it is not something that was imposed in the wake of the U.S. addition to this list.

China added the U.S. to their list of affected countries effective August 5th. This means that all shipments which departed on or after August 5th are required to receive remediation unless it can otherwise be demonstrated, proven and certified that the vessel or container is free of pests.

Because the United States is so large, the government is working with the Chinese government to see if they can treat the issue as a regional one – in other words if the cargo is loaded or ships from a particular jurisdictions then Zika remediation plans would need to be in place.



The list of products affected, potentially excluded items and whether or not China's measures are appropriate are still being evaluated by the U.S. government and the WHO. We strongly suggest that you stay in contact with your Everglory customer service representative and monitor our social media channels for the latest updates and information.

EVERGLORY TO ADOPT CARGOWISE ONE TECHNOLOGY PLATFORM

I am sure you have all seen some announcement by now of the news that Everglory will convert its' software platform to the CargoWise One by WiseTech Global based in Australia.

CargoWise is used by more than 8,000 clients around the world and is expanding rapidly including fortune 500 companies. Assets include 3 data and processing centers with a new state of the art storage facility in Chicago. Our leaders of Everglory feel that it is the right time to invest the money to update our systems and ready Everglory for the future



future years to come. The system comes very highly recommended from the International trade community and boasts the most up to date and modern tools from tracking to brokerage. The implementation should help our company consolidate business flows from Brokerage through Forwarding and also allow us to analyse and make better our internal practices. We have already signed our contract and set an implementation date of 01/01/2017. This goal will involve everybody's effort company wide and require a lot of hard work before it starts to pay off. Thank You in advance and stay tuned!



EVERGLORY HANDLES PROJECT CARGO!

Ask us for more information and a quote.



EMPLOYEE SPOTLIGHT

Hello, my name is Fiona Xiong. I'm from China and came to U.S. in August, 2013. I still remember how excited I was when I got the offer. I began my career as the first Administrative Assistant at Everglory Boston Office on June 27, 2016. So far, I want to say that I am grateful to work with the people of Everglory. Everyone always treats me with kindness and warmth. As a fresh graduate without much work experience, Douglas and Carrie always teach me with patience and help so that I might improve myself and learn my way in the business world. I also enjoy the lunch time with colleagues everyday. We talk and laugh. Everglory has a kind of rich cultural environment. It is like a big family. I hope that I can do my job well and add to the success of Everglory. Nice to meet you all and don't hesitate to call me if I can help.

EVERGLORY BRIGHT SPOT

We're happy to mention that there're some exciting news about Everglory employees. Rod Raykhman and his wife had a baby in March 2016. Xing Lai became a new mother in June and David Lopez has welcomed his first baby in September. In addition, we hired more salesmen, Jack Hughes, Nico Cabrera, and Saul Lopes became members of the Everglory team.

