

LETTER FROM THE OWNERS

Happy 2017!! I want to thank all of our loyal customers for their business support in 2016 and a special thanks to our staff, who bring such positive attitudes and great effort to work every day. I wish you all a New Year filled with health, prosperity and happiness.

In review, 2016 was a year of healthy growth for Everglory. In addition to maintaining steady business growth, our company was strengthened by the development of a Customs Brokers department, an I.T. department and the purchase of upgraded operations software. We launched a new website and recruited experienced sales executives, operations staff and corporate executives in different offices. Our headquarters located in Boston, moved to a much larger facility.

One of the biggest challenges for the ocean freight business in 2016 was the bankruptcy of Hanjin Shipping. Everglory's customers only suffered very minor effects. Our ocean team proactively updated shipment status, communicated with terminals and carriers, expedited pickup and delivery, and offered alternative shipping modes to our valued customers.

Our air freight maintained steady growth in 2016. In Boston, Asian carriers such as Cathay Pacific, Hainan Airlines and Japan Airlines operate multiple flights directly into Logan Airport. Their direct route shortened the transit time, prevented potential mishandling at transit ports and avoided heavy congestion at JFK airport which benefited our customers' logistics needs.

One year after the acquisition of Liteship International, LLC (Everglory Customs Brokers), we are pleased to see our customers enjoying the convenience and timely services from transportation to customs clearance. Congratulation to Mr. Jay Breda and the members of the broker department as business has gone up over twenty percent in 2016.

On our first day of work in 2017, led by Jonathan Fung, we successfully launched our new operation software. This new software enhances our service levels and increases work efficiency to a much higher standard. The advance features will provide value added services to the supply chains of our customers. At the same time, we will continue to recruit talented staff to enrich our valuable assets.

As we approach Everglory's 6 year anniversary, we look forward to continuing our growth with all of you.

Ray Mui, Vice President



LEAD STORY

TPP Minus One

On Monday, President Trump signed an executive order withdrawing the U.S. from the twelve country Trans-Pacific partnership trade agreement in favor of entering only bi-lateral trade agreements. The agreement would have connected Japan and the United States in their first ever free trade agreement along with 10 other South-east Asian and Pacific coast South American countries including Chile and Peru, all of which account for 40% of the global market. Its original purpose was to lower tariffs while establishing cohesive rules for resolving trade disputes, setting patents and protecting intellectual property.

Australian trade minister, Steven Ciobo has stated that other members of the pact are considering whether to move on in a "TPP minus one" alternative as China begins pushing the Regional Comprehensive Economic Partnership between ten members of the Southeast Asian Nations, including Japan, South Korea, Australia, New Zealand and India. While the agreement was originally constructed as a way to prevent China from overtaking the region, it now appears they could fill the void left in the deal. There has been no word yet on which of the TPP countries President Trump is considering for bi-lateral agreements, though he has clearly stated his intention to do so.

However, analysts note that the enticing duty-free trade access a multi-nation free trade pact like the TPP offers wouldn't be excessively significant considering the low tariffs already available and the largest impact would be put upon American exporters, who could lose market access they might have gained in the agreement. The agreement would have given Japanese manufacturers free trade access, while they competed with lower wage workers in countries like Mexico.

THE YEAR OF THE ROOSTER

Chinese New Year starts on 1/28/2017. It is the year of Rooster in China. The Rooster being the sign of dawn and awakening, triumph and success can only be achieved at the price of hard work and patience in 2017. During Chinese Spring Festival, families get together and people visit relatives and friends around. Happy New Year to all overseas offices staffs and wish you all the best in the year of the Rooster.



Meet Everglory's China partner Everlink

Key to our success is choosing the right overseas partners who represent our interests and can follow and execute the instructions of our U.S. customers when it comes to cargo moving into and out of their countries.

Everlink is our partner in China who are well-decorated and have both the people and the infrastructure required to meet the needs of importers and exporters doing business with China.



EMPLOYEE SPOTLIGHT



My name is Pamela DeSalvo. I'm the Midwest Sales Manager. In March of 2015, I began my journey with Everglory Logistics. I was very excited to join a company that was new, growing and had goals for expansion. When I joined the company there was only three of us employed in the Chicago office and now between sales

and operations we have grown to six full time employees. Although growth is not always easy, I enjoy the challenges and excitement of trying to keep our company headed in the best direction. In November 2016 I was elected to the Board of Directors of the International Air Cargo Association of Chicago (IACAC) for which I had previously served a two year term as their treasurer. My newly elected position is another 2-year term that starts January 2017. I am looking forward to a prosperous, happy, and healthy 2017!!!

EVERGLORY BRIGHT SPOT

With the Christmas and New Year's holidays of December and into January, our employees followed the tradition of each office and took some time together to celebrate the season as a team. Boston, Chicago, and Los Angeles all got together with each other, customers, and some families to enjoy the success of 2016 before the rush of another year!



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