

## Updated Status in Asia

Space is getting extremely tight in China and HK again. The situation now is even worse than the pre Chinese New Year period. Frankly for some origins, especially Northern China, some agents do not have enough space to serve existing customers during this critical period. We must all get ourselves prepared for the coming space problem and also the possible rate increment / VRI from carriers before the GRI effective on May 1st, 2010.

Space will be the key issue instead of rate in the coming weeks before the GRI. Our customers have to understand that they no longer can rely on one single carrier but have to split their shipment into various carriers if they want to get the freight moving during the critical moment. We will have our colleagues provide several carrier options for each single shipment

Another alternative is to ship with the other carriers with higher rates, which we think most consignees may not accept. Same as pre-CNY period, carriers will be interested in shipments with considerable margin only when space is tight. There will be no guarantee on space when rate is too low to accept.

We will closely monitor the market development and keep you posted of the rate increment & space situation timely. Thank you.