

Press release

Agreement to transfer ownership of KLG Europe to Sinotrans

KLG Europe and Sinotrans have signed an agreement today to transfer ownership of KLG Europe to Sinotrans, which will be completed in the coming few months, following customary regulatory approvals. Sinotrans will initially take an 80% shareholding, increasing to full ownership by around mid-2020. The acquisition will comprise all European branches of KLG Europe.

Due to the lack of successors, the current owners of KLG Europe, Ad and Kees Kuijken, have been looking for a strong partner to take ownership of the company, which, while respecting its core values, can continue with the activities of KLG Europe and further develop it with a consistent strategy. A key criterion for such new owner is to preserve KLG Europe's culture, which is based on the loyalty of its staff to the company, to its clients and to the highest service levels, and which has been the reason for KLG Europe's substantial success.

"Making the right decisions at the right time, in a responsible manner, with a clear vision and strategy, is part of good entrepreneurship. You have to carefully take into account the continuity and growth of your company, the interests of your staff, your clientele and your foreign agents and networks. We have always seen this as one of the core values of our business and we are convinced that this has been an important pillar that has contributed to the success of KLG Europe", say Ad and Kees Kuijken.

KLG Europe has had an intensive collaboration with Sinotrans since 2014, originated in the period when KLG-ITM was established in China. Sinotrans, as one of the most important logistics service providers globally, and Asia in particular, recognises KLG Europe's employees, clients, suppliers and exclusive agent/partner network, and KLG Europe's resultant strong European footprint, as the ideal platform for Sinotrans' and KLG Europe's further growth in Europe and beyond. KLG Europe has daily departures with groupage and partial shipments to almost every destination in Europe and combines its own trucks and charters for delivery on wheels, as well as both agents and hub-and-spoke networks for distribution of the last mile. The strong geographic coverage within the European continent of KLG Europe combined with the strength of Sinotrans in Asia offer customers of both companies a significant competitive advantage. Both parties have much in common in terms of business approach and vision and see the potential of jointly leveraging KLG Europe's strong European network.

The activities of KLG Europe will continue under the well-known company name KLG Europe and there will be no changes for staff and management. KLG Europe's network, its service level and its proactivity will remain unchanged and as the base pillar of its strategy. This also means that the present contacts at KLG Europe will remain unchanged for all KLG Europe's stakeholders.

In order to ensuring a smooth transition into the new ownership structure, Ad and Kees Kuijken will remain employed by KLG Europe until early 2020 and subsequently in an advisory capacity. As the new CEO, Mr. Erik Loijen (current General Manager for KLG Europe Venlo), will be responsible for all twelve European branches of KLG Europe and more than 1,100 employees.

About Sinotrans:

Headquartered in Beijing, Sinotrans had operated for more than 60 years in China when it became a listed company in 2003 and has built an even stronger brand recognition and customer base ever since. Sinotrans is now the largest integrated logistics service provider in China, whose main businesses include freight forwarding, logistics, storage and terminal services, logistics equipment leasing and other business (e.g. shipping, trucking and express service). Sinotrans has the most extensive logistics network in mainland China, with business presence in all provinces and major cities. Sinotrans is committed to becoming a leading integrated logistics service platform globally. To achieve their global strategy, Sinotrans is now planning to expand its overseas network, including agency networks in developing countries and self-owned networks in developed markets, e.g. Europe, Australia, etc.

For the year ended on 31 December 2018, the revenue of Sinotrans was approximately USD 10 billion and total assets as of 31 December 2018 was approximately USD 9 billion.

Sinotrans is listed on both the Hong Kong and the Shanghai Stock Exchanges.

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