

Kerry Logistics Signs MOU with Sitthi Logistics To Develop Dry Port in Laos

Hong Kong, 8 April 2019

Kerry Logistics Network Limited ('Kerry Logistics'; Stock Code 0636.HK) announced the signing of a memorandum of understanding between its subsidiary, KLN (Singapore) Pte Ltd, and Laos's Sitthi Logistics for the establishment of a joint venture to develop a dry port in the Vientiane Logistics Park in Laos. The signing ceremony was held on Friday, April 5, and attended by the Deputy Prime Minister of Laos, Sonexay Siphandone, as the guest of honour. The move is part of Kerry Logistics' development strategy to seek accelerated growth in ASEAN by developing an integrated Greater Mekong Region platform covering Thailand, Cambodia, Myanmar and Laos.

The dry port will be situated in an area of approximately 35 hectares, to be developed in phases for the transfer of cargoes at Vientiane, which connects the railway lines between China and Thailand from Kunming to Bangkok. An efficient dry port is not only expected to help attract investment to Vientiane and its surrounding areas, but also turn the city into a major economic hub along the Belt and Road trade routes.

George Yeo, Chairman of Kerry Logistics, said, "We at Kerry Logistics are proud to play a role in the development of Laos and what will become an important economic corridor between China and Southeast Asia. We are fortunate to have in Sitthi Logistics a strong local partner. Together with Sitthi Logistics, we will work hard to make the dry port project a success and an asset to the Laotian economy."

Kerry Logistics will provide management expertise, while Sitthi Logistics will provide local support. The facilities will allow the logistics industry to transport goods by road and rail and create an efficient logistics system to accommodate a range of industries and facilitate distribution along the economic corridor between China and Thailand.

To enable the Laotian economy to benefit from the Kunming-Bangkok rail and to fully utilise the plentiful resources and labour in Laos, the Lao government is introducing economic incentives and conducive regulations for the building of an efficient logistics centre in Vientiane.

In 2018, Kerry Logistics completed the Phase one of the inland port in Mandalay and the inland port in Yangon. With stronger growth anticipated to persist in Asia, particularly in Southeast Asia and India, Kerry Logistics will continue to leverage its established network in Asia to take advantage of the booming intra-Asia trade and maintain its business growth in Asia.



(Centre right and centre left) George Yeo, Chairman of Kerry Logistics, and Chanthone Sitthixay, Chief Executive Officer and Founder of Sitthi Logistics, signed the memorandum of understanding.

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About Kerry Logistics Network Limited (Stock Code 0636.HK)

Kerry Logistics is an Asia-based, global 3PL with the strongest network in Asia. Its core competency is providing highly customised solutions to multinational corporations and international brands to enhance their supply chain efficiency, reduce overall costs, and improve response time to market. Kerry Logistics has a network covering 53 countries and territories, and is managing 60 million sq ft of land and logistics facilities worldwide, providing customers with high reliability and flexibility to support their expansion and long-term growth. Kerry Logistics Network Limited is listed on the Main Board of the Hong Kong Stock Exchange and is a selected Member of the Hang Seng Corporate Sustainability Index Series 2017-2018.

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