SUSTAINABILITY STATEMENT

The logistics sector plays a critical role in enabling trade, connectivity and economic growth, while carrying increasing responsibilities in managing environmental and social impacts. As an integrated and expanding logistics service provider, Sin-Kung Logistics Berhad ("SINKUNG" or "the Group") remains committed to embedding sustainability into our business strategy as we grow across local and international value chains.

This year signifies a transformative chapter for the Group. With the official launch of Sin-Kung Airways and our foray into Air Cargo & Aviation Solutions, we have successfully transitioned into a truly multimodal logistics powerhouse. By integrating air cargo operations, private jet charters, and aircraft maintenance (MRO) into our established trucking and warehousing ecosystem, we are closing the loop in the regional supply chain. This expansion allows us to deliver end-to-end solutions while maintaining a sharp focus on operational efficiency and carbon footprint management across both land and sky.

We work closely with customers, business partners and relevant authorities to enhance practices, address shared sustainability risks and unlock opportunities for improvement across the logistics ecosystem. The Group is mindful of our responsibilities towards employee well-being, community welfare and environmental protection, and we strive to achieve operational efficiency in a manner that is safe, ethical and environmentally conscious.

Oversight by the Board and leadership by Management remain central to our sustainability journey, ensuring clear accountability, strong governance and a culture of integrity.

ABOUT THIS STATEMENT

Financial Year 2025 ("FY2025") marks SINKUNG's second year of sustainability reporting as a public-listed entity on the ACE Market of Bursa Malaysia. Since our debut in 2024, we have remained steadfast in our commitment to balancing sustainable commercial growth with a responsible approach to Environmental, Social, and Governance ("ESG") value creation.

Reporting Scope and Basis of Preparation

This Sustainability Statement outlines SINKUNG's ESG performance for the financial year ended FY2025. The disclosures cover the Group's integrated logistics and aviation operations under our direct operational control, including land transportation, warehousing and distribution, air cargo, private jet charter, aircraft management services, and aircraft maintenance, repair and overhaul ("MRO") activities, unless otherwise stated.

This Sustainability Statement covers the business operations and activities of the Group's subsidiaries in Malaysia operating within the logistics and aviation solutions segments. It excludes overseas operations, dormant companies and entities incorporated during the financial year under review.

The information presented herein is based on data available at the time of reporting and is prepared using internal data collection processes and reasonable estimates where necessary. While efforts have been made to ensure the accuracy and completeness of the disclosures, certain operational areas may be subject to progressive enhancement in data capture and reporting methodologies in subsequent reporting cycles.

This Sustainability Statement may contain forward-looking statements based on current expectations, assumptions and projections. Actual outcomes may differ due to changes in operational, regulatory or economic conditions.

SUSTAINABILITY STATEMENT

Name of Company	Principal Activities
Bayan Berjasa Sdn. Bhd.	Provision of trucking and land transportation services.
Sin Kung Ecommerce Logistics Sdn. Bhd.	Courier services, line haul transportation, land transportation and transportation agent.
Sin-Kung Fleet Management Sdn. Bhd.	Provision of drivers to operate SINKUNG's commercial vehicles solely for SINKUNG's business.
Sin-Kung Bonded Warehouse Sdn. Bhd.	Provision of trucking, land transportation and warehouse services.
Sin-Kung Airways Sdn. Bhd.	Provision of regional air cargo and passenger transportation services, aircraft leasing and trading, private jet charter services and aircraft maintenance, repair and overhaul (MRO).
Sin-Kung Leasing Pte Ltd.	Provision of leasing services.

Reporting Period

This statement reports on the Group's sustainability-related risks, opportunities, data, and activities from 1 January 2025 to 31 December 2025 ("FY2025").

Reporting Cycle

Annually, in conjunction with our financial reporting period.

Reporting Guidelines

This sustainability statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and aligns with Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and the Malaysian Code on Corporate Governance 2021 ("MCCG") as key framework.

In anticipation of transitioning to the National Sustainability Reporting Framework ("NSRF"), this report also references IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information ("IFRS S1") and IFRS S2 Climate-related Disclosures ("IFRS S2") (collectively, the "ISSB Standards"). Furthermore, the Global Reporting Initiative ("GRI") and FTSE4Good have been consulted to broaden stakeholder engagement.

Assurance Statement

While we have not conducted independent assurance on the information provided in this Statement, we remain dedicated to disclosing accurate and transparent data. We strive to provide transparent and credible data, adhering to best practices in reporting and governance, and we continuously seek to enhance the integrity of our disclosures through internal reviews.

The data presented in this sustainability statement has been reviewed and validated by senior management and the relevant data custodians and has received formal approval from the Board of Directors of SINKUNG ("the Board").

Engage with Us

As part of our ongoing commitment to continuous improvement, we aim to enhance the depth, accuracy, and transparency of our sustainability reporting with each annual cycle. We greatly value the perspectives of our stakeholders and welcome any questions, feedback, or suggestions that may contribute to the refinement of our sustainability practices and disclosures. Stakeholders are encouraged to share their input via email at sklkl@sinkung.com.my.

SUSTAINABILITY STATEMENT

SUSTAINABILITY FRAMEWORK

Sustainability at the Group is guided by a framework encompassing Economic, Environmental, Social and Governance ("EESG") considerations, aligned with the Group's identified material matters and business priorities. Through this integrated approach, we systematically address key sustainability considerations in a balanced and consistent manner across the Group. As we deepen our understanding of how best to align our business objectives with the broader global sustainability agenda, the framework will be regularly reviewed and refined to ensure its continued relevance, effectiveness, and responsiveness to emerging challenges and opportunities.

Our Vision

To be a prominent player in the logistics industry, offering comprehensive integrated logistics solutions and focusing on customer needs with efficient and reliable services.

Our Mission

- Provides effective and customised logistics services that are tailored to meet the specific needs of our customers.
- Sustainability and Operational Excellence to reduce environmental impact and improve efficiency.

Our Values

3-Es Principle

Committed to providing services that are Efficient, Effective, and Expert.

- **Efficient** : Efficient services that delivers on time.
- **Effective** : Effective services that continuously anticipate and meet customer's demands, needs and preferences.
- **Expert** services : Experienced personnel that provide safe, proper, secured and expert handling method of all cargoes.

Our Focus Areas

Economic | Governance | Environment | Social

In alignment with the United Nations Sustainable Development Goals (UNSDGs)

SUSTAINABILITY STATEMENT

SDG MAPPING

SDG	Goal	Relevance to SINKUNG	Pillar
SDG 3	Good Health and Well-being	Promoting a safe and healthy working environment for employees and contractors through occupational safety practices and responsible operations	Environmental / Social
SDG 5	Gender Equality	Promoting diversity and equal opportunities within the workforce	Social
SDG 8	Decent Work and Economic Growth	Supporting responsible business practices, ethical conduct and fair employment	Economic / Social
SDG 9	Industry, Innovation and Infrastructure	Strengthening operational systems, infrastructure and cybersecurity practices	Economic / Governance
SDG 10	Reduced Inequalities	Promoting inclusive workplace practices and fair employment opportunities	Social
SDG 12	Responsible Consumption and Production	Encouraging efficient resource utilisation, waste management and responsible operational practices	Economic / Environmental
SDG 13	Climate Action	Monitoring energy consumption, fuel usage and greenhouse gas emissions to manage environmental impacts	Economic / Environmental
SDG 15	Life on Land	Supporting environmental stewardship and responsible operational practices	Environmental
SDG 17	Partnerships for the Goals	Collaborating with stakeholders, regulators and business partners to strengthen sustainable business practices	Economic / Governance

OUR APPROACH TO SUSTAINABILITY

SINKUNG's sustainability approach is anchored on a structured and disciplined framework that guides how sustainability is governed, implemented and continuously strengthened across the Group.

SUSTAINABILITY GOVERNANCE

Effective sustainability governance supports SINKUNG's ability to integrate sustainability considerations into our business strategy and operations. Our governance structure establishes clear oversight, accountability and decision-making roles across the Board, Management and relevant functions, ensuring that sustainability risks and opportunities are identified, managed and monitored in a systematic manner. This framework supports consistent implementation of sustainability initiatives, strengthens compliance with regulatory and reporting requirements, and reinforces our commitment to responsible and ethical business practices.

SUSTAINABILITY STATEMENT

ROLES AND RESPONSIBILITIES

BOD: Ultimately accountable and oversees the management of sustainability matters.

Roles:

- Ensures business strategy integrates sustainability.
- Approves and reviews the sustainability targets and performance.
- Be informed of all sustainability issues relevant to the Company, particularly the risks and opportunities, to support long-term strategy and success.

BSC: The Board Sustainability Committee comprises members from the Board and looks into the Group sustainability strategies and makes recommendations to the Board.

Audit and Risk Management Committee ("ARMC")	Nominating & Remuneration Committee ("NRC")
• Oversees assurance activities pertaining to the company's sustainability reporting processes. • Scrutinises the links between the company's material sustainability matters, climate-related risks and opportunities and financial performance.	• Approves and monitors the sustainability strategies, policies, targets and performance, materiality assessment process & outcome and the sustainability statement. • Ensures the integration of sustainability and climate-related risks and opportunities. • Reviews the Board and senior management performance evaluation against agreed sustainability-linked KPIs.

SMC: Led by the Group Managing Director & CEO, assisted by the Group Executive Directors and the Risk Management Team, the SMC drives strategic management of material sustainability matters and inculcates sustainability culture throughout the Group.

Roles:

- Aligns the Group's sustainability strategy with long-term business growth and goals.
- Ensures that sustainability-related issues are taken into consideration in management deliberations including when devising business strategies.
- Sets sustainability targets and monitors its performance.
- Manages, appraises and evaluates the sustainability matters in line with strategies approved by the Board.
- Identifies issues that may require intervention.
- Reports and makes recommendations to the BSC.
- The ARMC oversees the management of risks and opportunities of the sustainability matters.

SUSTAINABILITY STATEMENT

SWG: Supports the strategic decision and ensures that sustainability matters are addressed across the Group.

Roles:

- In charge of executing, developing, implementing, monitoring and improving sustainability initiatives.
- Makes sure that sustainability is integrated into every part of the organisation.
- Reviews the progress of the sustainability measures against the targets.
- The SO works closely with the SMC and reports their findings to the SMC.

SUSTAINABILITY POLICY

At SINKUNG, sustainability considerations are embedded within our business strategy and governance framework, guiding our decision-making as we seek to balance economic performance with environmental, social and governance responsibilities. SINKUNG's Sustainability Policy reflects our commitment to achieving long-term value creation by balancing economic performance with environmental stewardship, social responsibility and strong governance. By integrating sustainability considerations across our value chain, we aim to operate responsibly, manage risks effectively and contribute positively to the communities and markets in which we serve.

The Policy provides a clear framework that aligns with applicable laws, regulations and recognized governance standards, and is supported by our Code of Ethics, Whistleblowing Policy and related internal policies. It sets out our expectations for directors, employees, business partners, suppliers and other stakeholders to uphold high standards of integrity, accountability and ethical conduct, while collectively advancing sustainable and resilient growth.

For a full copy of the policy, please follow this link: *https://www.sinkung.my/CorporateGovernance.php*

The Sustainability Policy states the following commitments and principles:

Sustainability Focus Area	Key Commitment
Governance and Ethics	Integration of Economic, Environmental, Social and Governance (EESG) considerations into strategy and decision-making, supported by strong corporate governance, integrity, transparency and regulatory compliance
Environmental Responsibility	Responsible management of environmental impacts through efficient resource and energy use, emissions management, waste reduction and compliance with environmental laws
Occupational Health and Safety	Provision of safe and healthy working conditions through structured risk management, preventive measures, training and continuous monitoring of safety performance
Human Rights and Labour Practices	Upholding human rights across operations and the supply chain, with zero tolerance for forced labour, human trafficking and child labour, and respect for freedom of association
Diversity and Inclusion	Promotion of an inclusive and respectful workplace that supports equal opportunity, fair treatment and merit-based employment practices
Community Engagement	Building positive and long-term relationships with local communities through open communication, local sourcing, employment opportunities and community initiatives

SUSTAINABILITY STATEMENT

Sustainability Focus Area	Key Commitment
Responsible Supply Chain	Promotion of ethical, transparent and sustainable procurement practices through supplier standards, assessments and compliance monitoring
Reporting and Oversight	Maintenance of effective reporting mechanisms, monitoring of policy implementation and periodic review under Board oversight

These commitments provide the foundation for the Group's sustainability approach, guiding the identification, management and prioritisation of sustainability-related risks and opportunities across our operations and value chain. Collectively, they support the Group's long-term resilience and responsible business conduct.

The Sustainability Policy is reviewed periodically by Management and, where necessary, presented to the Board to ensure its continued relevance and effectiveness.

MATERIALITY

Sustainability remains a strategic priority for the Group, reflecting its importance to our long-term business resilience and stakeholder expectations. We are committed to integrating sustainable practices across our operations as we respond to current and emerging issues relevant to the logistics sector. By focusing on matters that are most significant to the Group and our stakeholders, we aim to create shared value and support sustainable growth over the long term.

SUSTAINABILITY MATERIAL MATTERS

Identifying and prioritising material matters is a core component of SINKUNG's sustainability approach, ensuring that our efforts are focused on the issues that matter most to our business and stakeholders. Through structured stakeholder engagement and a systematic materiality assessment process, we evaluate economic, environmental, social and governance topics based on their significance to stakeholders and their potential impact on the Group's long-term performance and resilience. The resulting material matters guide our strategic priorities, risk management and sustainability initiatives, enabling us to allocate resources effectively and deliver sustainable value over time.

SUSTAINABILITY STATEMENT

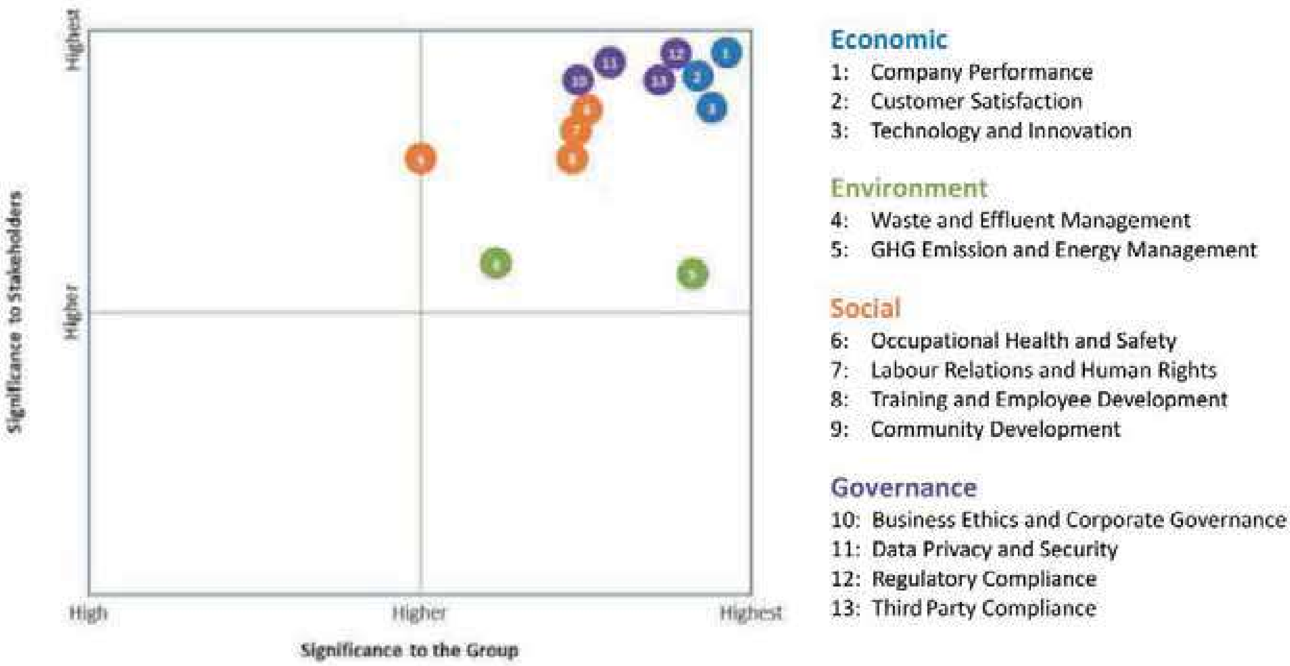
MATERIALITY ASSESSMENT

The Group conducted our first materiality assessment in FY2024 to identify and prioritise sustainability matters that are most relevant to our business and that may influence stakeholder decision-making. The assessment process included benchmarking against industry peers, consideration of sustainability developments within the logistics sector, and alignment with relevant sustainability reporting frameworks.

Following SINKUNG's expansion to include the provision of air cargo and aviation solutions, the identified material matters were reviewed to assess their continued relevance. The review concluded that the material matters remain unchanged, as the Group's core operations continue to fall within the logistics sector and are subject to similar sustainability risks, opportunities and stakeholder expectations. The outcomes of the review were deliberated and validated by Management and are reflected in the Group's materiality matrix.

MATERIALITY MATRIX

The matrix below shows the sustainability issues that are most important to the Group and our stakeholders. The matters in the top right quadrant represent the greatest significance.



The materiality matrix highlights the relative importance of the Group's sustainability matters based on their significance to the Group and to key stakeholders. Matters identified as highest priority include Company Performance, Customer Satisfaction, Technology and Innovation, Regulatory Compliance, and Third-party Compliance, reflecting their direct relevance to the Group's core logistics operations and service delivery.

Business Ethics, Data Privacy, and Occupational Safety and Health are assessed as mid-priority matters, underpinning the Group's governance standards, operational integrity and workforce well-being. Greenhouse Gas Emissions and Energy Management are also considered significant, given the fuel-intensive nature of logistics activities and the Group's ongoing efforts to improve energy efficiency and reduce environmental impact. Community Development and Waste and Effluent Management are comparatively lower in priority due to the nature of the Group's operations; however, the Group continues to address these areas responsibly as part of our broader sustainability commitments.

SUSTAINABILITY STATEMENT

STAKEHOLDER MANAGEMENT

Meaningful stakeholder engagement remains integral to SINKUNG's sustainability approach. We engage regularly with both internal and external stakeholders to better understand their expectations, address areas of concern and identify opportunities to strengthen our sustainability performance.

Through structured engagement channels, we gather insights that inform our strategic priorities, risk management practices and operational improvements.

The table below outlines our key stakeholder groups, their principal areas of interest and the corresponding measures undertaken by the Group to address these matters.

Stakeholder Groups	Areas of Interest	Engagement Channels	Our Response / Key Actions
Investors / Financial Institutions / Analysts	• Financial and sustainability performance • Reputation and Branding • Transparent and timely reporting • Risk management • Ethics and Governance	• Annual General Meeting and Extraordinary General Meeting • Announcements • Corporate Disclosures • Analysts and Investors briefings	• Timely and transparent disclosures • Sound governance structure and practices • Strategic performance updates • Risk prioritisation
Customers	• Service reliability • Safe and responsible handling of cargoes • Efficient and timely delivery of cargoes • Data privacy	• Regular meetings • Customer / Client Feedback mechanism • Surveys and service reviews	• Continuous service improvement • Investment in technology and innovation • Data protection controls
Employees	• Labour conditions • Fair remuneration • Career Development • Communication • Safety and Health	• Employee engagement • Grievance channel • Employee training • Performance appraisals	• Enacted policies for employee protection e.g. diversity and workplace harassment policies • Safe working environment • Training and development initiatives • Fair HR policies and engagement programmes
Suppliers / Vendors	• Third-party compliance • Ethical procurement practices • Mutual growth	• Clear policies and guidelines • Nurture partnership through open communication	• Supplier sustainability standards • Compliance monitoring • Fair and transparent procurement practices

SUSTAINABILITY STATEMENT

Stakeholder Groups	Areas of Interest	Engagement Channels	Our Response / Key Actions
Regulatory Authorities / Certification Bodies	• Compliance and license to operate • Environmental standards • Operational safety • Training and development	• Renewal of Permits and Licenses • Attend compliance and regulatory seminars and training • Regular internal and external audits	• Adherence to applicable laws and regulations • Proactive compliance management
Communities	• Road Safety • Human Rights • Community welfare • Transparent communication • Employment opportunities	• Charitable donations • Driver training • Direct and open communication channels • Local Sourcing and Hiring	• Support for community initiatives • responsible operations • local sourcing and employment where practicable
Media	• Corporate transparency • Business developments • Regulatory announcements • Sustainability initiatives	• Press releases • Media briefings • Corporate website updates	• Accurate and timely public disclosures • Proactive communication of key developments

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES (SROs)

Sustainability-related risks and opportunities ("SROs") continue to evolve alongside regulatory developments, market expectations and operational expansion. As SINKUNG operates within the logistics and aviation solutions segments, we remain attentive to emerging environmental, social and governance considerations that may influence our performance, resilience and long-term value creation.

Accordingly, the Group identifies and evaluates sustainability-related risks and opportunities in line with our material matters, taking into account their potential impact on our business operations and stakeholder confidence.

The table below outlines the key material matters and the corresponding risks and opportunities relevant to the Group.

MATERIAL MATTERS	RISKS	OPPORTUNITIES
ECONOMIC		
Company Performance	Increased compliance costs arising from ESG requirements and aviation-related regulations may affect margins.	Strategic ESG and aviation compliance investments enhance long-term resilience, operational credibility and access to new markets.
Customer Satisfaction	Shift in customer preferences towards lower-emission logistics.	Capitalise on growing demand for lower-emission and time-sensitive aviation services, strengthening customer loyalty and market positioning.

SUSTAINABILITY STATEMENT

MATERIAL MATTERS	RISKS	OPPORTUNITIES
Technology & Innovation	Rapid advancements in green logistics technologies and aviation systems may require significant capital investment.	Leverage investments in digital tracking systems, fuel-efficient fleets and aviation technologies to enhance operational efficiency and attract ESG-conscious clients.
ENVIRONMENT		
Waste &Effluent Management	Non-compliance with waste, hazardous material or aviation-related maintenance waste handling requirements may result in penalties.	Strengthen waste monitoring and specialised training, including handling of aviation-related materials, to enhance environmental performance and compliance.
GHG Emissions & Energy Management	Stricter emissions regulations affecting commercial vehicles and aviation operations.	• Transition to fuel-efficient vehicles and optimise flight operations to improve fuel efficiency. • Explore sustainable aviation practices and energy-efficient facilities to reduce emissions and operating costs.
SOCIAL		
Occupational Safety & Health	• Road safety risk. • Aviation ground handling and operational safety risks. • Disruptions arising from investigations into driver or aviation personnel working conditions.	• Continuous driver and aviation personnel training to enhance safety standards. • Adherence to aviation safety protocols to reduce incidents and operational disruptions. • Mitigate road safety risks and potential disruptions by installing speed limiters in trucks, enhancing safety and operational reliability. • Proactively invest in driver health and work condition with safety equipment in trucks, and PPE for warehouse employees (e.g., safety vests) to improve safety, reduce incidents, and minimise delays.
Labour Relations & Human Rights	Non-compliance with labour regulations, including specialised aviation workforce requirements.	Ongoing engagement with employees and suppliers on labour standards and human rights to mitigate compliance risks and enhance workforce stability.
Training & Employee Development	Risk of attrition of trained logistics and aviation personnel.	Implement retention initiatives, including bonding arrangements for specialised aviation training, to safeguard talent investments.
Community Development	Increased public scrutiny on environmental and aviation-related impacts.	Strengthen community engagement and transparent communication regarding operational and environmental practices.

SUSTAINABILITY STATEMENT

GOVERNANCE		
Business Ethics & Corporate Governance	Increased costs associated with enhanced disclosure, aviation regulatory compliance and governance expectations.	• Meet heightened customer expectations and regulatory demands through transparent reporting and assurance, attracting businesses that prioritise ethical and compliant partners. • Achieve a better credit position through higher ratings by demonstrating strong corporate governance, potentially leading to more favorable financing terms. • Secure higher margin financing from financial institutions by showcasing a commitment to ethical practices and transparent operations, which are increasingly valued by lenders.
Data Privacy & Security	Cybersecurity risks to logistics and aviation systems, including customer and cargo data breaches.	• Invest in stand-alone software solutions to proactively prevent and mitigate the risk of ransomware and cyberattacks. • Security firewalls and cyber protection will keep customer and company data safe and reduce the risk of ransomware.
Regulatory Compliance	Exposure to risks from non-compliance with logistics, aviation and environmental regulations.	Strong compliance framework enhances trust, operational continuity and eligibility for both the logistics and aviation-related licences and certifications.
Third Party Compliance	Stricter certification and compliance requirements for logistics partners and aviation service providers.	Strengthen third-party due diligence to enhance reliability, reputation and access to high-value customers requiring certified partners.

In addition, SINKUNG recognises that climate-related risks and opportunities may have financial and operational implications for the Group, particularly given the fuel-intensive nature of logistics and aviation activities. The Group continues to monitor regulatory developments and evolving disclosure standards, including climate-related reporting frameworks, to progressively strengthen our assessment and management of climate-related risks and opportunities in line with emerging best practices.

SUSTAINABILITY TARGETS AND PERFORMANCE

The establishment of measurable sustainability targets and transparent performance reporting are essential to strengthening accountability and supporting long-term value creation. As the Group operates across logistics and aviation services and solutions, we continue to enhance our approach to tracking environmental, social and governance performance in line with our material matters and operational footprint.

While formalised sustainability targets are still being progressively developed, the Group is focused on building reliable baseline data and strengthening internal monitoring processes. In the forthcoming financial years, SINKUNG intends to introduce clear, measurable and achievable targets that support continuous improvement and deliver sustainable value to stakeholders.

SUSTAINABILITY STATEMENT

FY2025 KEY ACHIEVEMENT HIGHLIGHTS

ECONOMIC

93% of procurement spend allocated to LOCAL VENDORS

Achieved an average of **93%** CUSTOMER SATISFACTION score

SOCIAL

ZERO HUMAN RIGHTS violation recorded

ZERO incidence of non-compliance with LABOUR REGULATIONS

Average of 13.9 TRAINING HOURS per employee.

ENVIRONMENT

RECYCLED **99%** of EFFLUENT (Lubricant Oil) used

46% of used TYRES RETREADED and DIVERTED from disposal

GOVERNANCE

ZERO incidences of BRIBERY and CORRUPTION

ZERO CUSTOMER DATA BREACHES

ZERO REGULATORY NON-COMPLIANCE incidents

100% employees trained on ANTI-CORRUPTION

OUR APPROACH TO MANAGING MATERIAL SUSTAINABILITY MATTERS

SINKUNG continues to strengthen our management approach to material sustainability matters across our logistics and aviation operations. Building on the foundational disclosures established in the prior financial year, we have further enhanced our internal monitoring processes and data collection practices to support more structured sustainability oversight.

As our operations evolve, we remain committed to improving the quality, consistency and reliability of our sustainability data. Through ongoing refinement of reporting processes and performance tracking mechanisms, we aim to provide stakeholders with clearer insights into how material sustainability matters are managed and how our initiatives contribute to long-term value creation.

ECONOMIC SUSTAINABILITY

The logistics and aviation industries are fundamental pillars of global connectivity, trade, and economic advancement. As supply chains become increasingly complex and time-sensitive, SINKUNG operates at the intersection of land and air mobility, enabling the seamless movement of goods while supporting the continuous flow of commerce across borders. Through our integrated logistics and aviation services and solutions, we provide critical infrastructure and operational capabilities that empower businesses to access markets efficiently, optimise supply chains, and respond dynamically to evolving economic demands.

Material Matters	Related SDGs Alignment Focus	
Company Performance Customer Satisfaction Technology and Innovation	SDG 8:	Promote sustainable economic growth by supporting job creation and fair employment practices.
	SDG 9:	Strengthen industry resilience by integrating technology-driven logistics and aviation solutions.
	SDG 12:	Encourage responsible consumption by advancing prudent resource management across our operations and supply chain.
	SDG 13:	Enhance climate resilience by improving operational efficiency and reducing environmental impact.
	SDG 17:	Advance shared value creation by fostering strategic partnerships with stakeholders.

By ensuring reliability, speed, and operational excellence across our networks and aviation support services, we contribute meaningfully to economic resilience, productivity enhancement, and market expansion. Our operations generate employment opportunities, stimulate industry growth, and strengthen the broader economic ecosystems in the regions we serve. In alignment with SDG 8, the Group promotes sustainable economic growth through responsible business practices and fair employment. Guided by SDG 9, we continue to invest in innovation and technology-driven solutions that enhance operational efficiency and industrial advancement. Recognising the urgency of climate-related challenges, we support SDG 13 through ongoing efforts to improve operational efficiency and reduce environmental impact across our activities. Consistent with SDG 12, we advocate responsible resource management within our supply chain, while our collaborative approach with customers, regulators, and industry partners reflects our commitment to SDG 17 in advancing shared and sustainable economic value.

COMPANY PERFORMANCE AND DIRECT ECONOMIC IMPACTS

SINKUNG's economic contribution spans both our logistics and aviation operations, generating direct and indirect value across the wider ecosystem in which we operate. Through the creation of revenue, profits, shareholder returns, salaries, and tax contributions, the Group supports workforce stability, strengthens investor confidence, and contributes to national economic development. By enabling efficient trade flows and delivering aviation-related services, we enhance Malaysia's connectivity and industry competitiveness. Beyond financial performance, we create broader economic impact through job creation, skills development, and long-term partnerships, with earnings reinvested into local communities and businesses, generating sustained multiplier effects and supporting continued economic expansion in the regions we serve.

Economic Performance

Economic Indicators	FY2025 (RM'000)	FY2024 (RM'000)
Economic value generated (e.g., revenue, other income, etc.)		
Revenue	62,748	54,159
Economic value distributed:		
Expenses (e.g., operating expenses and/or administrative expenses)	63,035	46,946
Finance costs	5,027	4,329
Payment to government (e.g., tax)	1,452	4,235
Investment in Assets, Equipment and Machineries	42,768	11,284
Total number of Commercial Vehicles owned	576	555
Total annual warehouse capacity available (pallet space)	182,425	190,260
Total landbank (sq. ft.)	702,549	702,549
Number of Employees	**354**	**257**

In FY2025, SINKUNG continued to strengthen our economic footprint, supported by the expansion of our logistics and aviation-related operations. The Group recorded revenue of RM62.7 million, representing an increase from RM54.2 million in FY2024, driven by higher operational activity and service demand across our core business segments.

In line with business growth, economic value distributed also increased during the year. Total expenses rose to RM63.0 million (FY2024: RM46.9 million), reflecting higher operating and administrative costs associated with scaling operations. Finance costs increased to RM5.0 million (FY2024: RM4.3 million), primarily attributable to additional financing undertaken to support business expansion. Meanwhile, payments to government amounted to RM1.5 million (FY2024: RM4.2 million), reflecting variations in taxable income and applicable tax adjustments during the financial year.

The Group also demonstrated our commitment to long-term growth through continued capital investment. Investment in assets, equipment and machineries increased significantly to RM42.7 million (FY2024: RM11.3 million), mainly to support fleet enhancement and operational capacity expansion.

Operationally, the total number of commercial vehicles stood at 576 units (FY2024: 555 units), while total annual warehouse capacity was 182,425 pallet spaces (FY2024: 190,260 pallet spaces), reflecting ongoing optimisation of asset utilisation. Our landbank remained stable at 702,549 sq. ft., supporting our logistics infrastructure needs.

In tandem with business expansion, the number of employees increased to 354, reflecting our continued investment in human capital to support our growing operations.

Overall, the Group remains focused on strengthening our economic performance through disciplined growth, strategic investments and operational efficiency, while continuing to create value for our stakeholders.

Sustainable Supply Chain Management

A resilient and well-governed supply chain is fundamental to operational continuity across the Group's logistics activities. Our approach extends beyond procurement to encompass structured supplier selection, performance monitoring, quality assurance, and ongoing risk management.

Supplier evaluation and screening processes are implemented to assess operational capability, reliability and adherence to applicable legal and ethical requirements. Through continuous engagement and periodic review of key suppliers, potential disruptions are mitigated, service quality is safeguarded and long-term supply chain resilience is strengthened. This integrated framework supports responsible business practices while maintaining stable and efficient operations across the value chain.

Sustainable Procurement

SINKUNG adopts a sustainable procurement approach that supports operational reliability while contributing to local economic development. We prioritise sourcing from local suppliers wherever feasible, strengthening domestic supply chains and fostering long-term partnerships that create shared value within the communities in which we operate. At the same time, recognising the technical and regulatory requirements of certain aviation-related equipment, components, and specialised services, selected supplies are sourced from overseas where specific certifications, standards, or capabilities are required. Through disciplined vendor selection, compliance oversight, and transparent procurement practices, the Group ensures that quality, safety, cost efficiency, and ethical standards remain central to our sourcing decisions.

	PROPORTION OF SPENDING ON LOCAL SUPPLIERS		PROPORTION OF SPENDING ON COMMUNITY AND SOCIETY	
	Total amount spent on local suppliers (RM)	Proportion of spending on local suppliers	Total amount invested in the community (RM)	Total number of beneficiaries of investment in communities
FY2025	5,119,306	96%	33,898	9
FY2024	4,807,823	98%	16,166	6

During FY2025, we continued to prioritise local sourcing as part of our sustainable procurement approach. The Group spent RM5,119,306 on local suppliers, representing 96% of total procurement expenditure, compared to RM4,807,823 or 98% in FY2024. This reflects our ongoing commitment to strengthening domestic supply chains while balancing specific operational requirements, including certain aviation-related supplies that must be sourced internationally.

In addition, the Group invested RM33,898 in community initiatives during FY2025, benefiting nine recipients, compared to RM16,166 and six beneficiaries in FY2024. These contributions demonstrate our continued efforts to support local communities alongside our core business activities.

SUSTAINABILITY STATEMENT

DELIVERING CUSTOMER SATISFACTION THROUGH THE 3-Es

Customer satisfaction remains central to the Group's value proposition across both our logistics and aviation services and solutions. Guided by a clear mission to deliver consistent value, foster trust, and build enduring partnerships, we continue to place customer experience at the forefront of our operational priorities.

During the year under review, the Group reaffirmed our commitment to service excellence through our 3-Es Principle: **Efficient**, **Effective**, and **Expert** delivery. This commitment is reflected in a strong customer satisfaction score of **93%**, based on feedback from surveyed customers, underscoring the Group's continued ability to meet expectations across diverse service offerings.

Efficiency remains fundamental to our operations, ensuring timely logistics movements and coordinated aviation-related services that demand precision and reliability. From managing time-sensitive cargo to supporting specialised aviation requirements, we strive to deliver seamless execution across all service lines.

Our focus on being *Effective* is demonstrated through proactive engagement and a deep understanding of our customers' evolving operational needs. Through consistent communication and tailored logistics and aviation solutions, we support customers in optimising their supply chains and operational performance.

Expertise continues to be a defining strength of our workforce. Our experienced personnel manage cargo, aviation support services, and specialised handling requirements with strict adherence to safety, regulatory, and quality standards. This professional competence ensures that each engagement is executed with care, reliability, and technical precision.

The Group remains committed to continuously enhancing service quality through customer feedback analysis, process refinement, and capability development to further strengthen overall customer experience.

Together, the 3-Es framework reinforces customer confidence and sustains long-term partnerships, supporting the Group's reputation for dependable and high-quality service delivery.

TECHNOLOGY AND INNOVATION

Technology and innovation continue to reshape both the logistics and aviation industries, enhancing operational efficiency, strengthening service reliability, and supporting more sustainable business practices.

As operations become increasingly time-sensitive and compliance-driven, digital integration plays a central role in maintaining competitiveness. Across the Group's logistics and aviation services and solutions, technology is leveraged to streamline workflows, optimise asset utilisation, reduce manual dependency, and deliver consistent, high-quality outcomes.

Within our logistics operations, the adoption of Electronic Proof of Delivery (ePOD), implemented in collaboration with selected customers, replaces traditional paper-based documentation with a more efficient and environmentally responsible alternative. Drivers are equipped with smart devices that enable real-time recipient confirmation through designated customer applications. This enhances data accuracy, accelerates processing time, improves visibility, and significantly reduces paper consumption in line with our sustainability objectives.

Operational control is further strengthened through our integrated Vehicle Tracking and Fleet Management System, synchronised with GPS devices installed in commercial vehicles. The system enables real-time location tracking and monitors driving behaviour such as speeding, route deviations, and unauthorised stops. It also captures data on fuel consumption and cargo temperature, supporting improved road safety, fuel optimisation, asset protection, and performance evaluation.

Our Fixed Asset Management System manages the full lifecycle of vehicles and trailers, automating asset creation, depreciation, disposal calculations, and compliance monitoring. Service records, insurance validity, inspections including Puspakom requirements, and licensing data are systematically tracked, while detailed vehicle information such as registration and chassis numbers is securely maintained. This system reduces administrative workload and enhances financial oversight through real-time reporting capabilities.

To support haulage operations, the Haulage Management System automates processes from order receipt and route planning to driver assignment, delivery tracking, invoicing, and incentive computation. Integrated reporting capabilities enable performance analysis and operational transparency. Complementing this is our Warehouse Management System (WMS), which centralises monitoring and control of goods movement and storage across facilities. The WMS enables real-time tracking using batch and lot numbers supported by barcode scanning, incorporates temperature monitoring features, and applies the First-In-First-Out (FIFO) methodology to maintain inventory integrity. These systems collectively enhance accuracy, optimise space utilisation, and improve overall warehouse productivity.

Complementing our digital infrastructure, the Group continues to invest in operational hardware such as industrial sweepers and scrubbers across warehouse facilities to maintain hygiene standards with reduced manual intervention. In-house data storage systems with dedicated servers ensure secure data management and system backups, strengthening cybersecurity and business continuity. Vehicle Diagnostic Systems used within our workshops further support accurate and efficient fleet maintenance.

In our express delivery operations, an internally developed Express Delivery Management System automates quotation generation, shipment processing, air waybill printing, and delivery status tracking. This end-to-end digital solution improves operational responsiveness and customer communication. Additionally, the Inventory Management System dedicated to commercial vehicle spare parts ensures accurate stock tracking and timely replenishment, supporting maintenance readiness and minimising downtime.

Within our aviation operations, technology and innovation play a critical role in ensuring safe, reliable and efficient service delivery across air cargo, private jet charter, aircraft management and MRO activities. As aviation operations are highly regulated and time-sensitive, the adoption of integrated digital systems and specialised equipment supports operational precision, regulatory compliance and service excellence.

To enhance operational efficiency and coordination, Sin-Kung Airways Sdn. Bhd. utilises established aviation management systems to support cargo handling, flight planning and operational control. These include aviation solutions such as ARINC communication systems and Jeppesen navigation and flight planning tools, which support accurate route planning, weather monitoring and real-time operational coordination. These systems facilitate seamless communication between flight operations, ground handling and maintenance teams, ensuring that each flight is executed with a high level of safety and efficiency.

In addition, engineering and maintenance activities are supported by specialised diagnostic tools and equipment designed to ensure aircraft safety and airworthiness. These include instruments for air pressure simulation and system testing, such as pitot-static testers for air data systems and megger testers for electrical systems, as well as portable data devices used for flight data updates, including routes and weather information. All equipment is subject to strict calibration and maintenance requirements to ensure accuracy and compliance with aviation standards.

Real-time monitoring tools further support operational oversight, enabling visibility of aircraft movement and enhancing situational awareness across operations.

Across both our logistics and aviation operations, technology and innovation serve as key enablers of operational excellence, supporting efficiency, reliability and regulatory compliance while advancing our commitment to sustainable and responsible business practices.

SUSTAINABILITY STATEMENT

ENVIRONMENTAL SUSTAINABILITY

SINKUNG recognises that environmental responsibility is fundamental to sustainable growth and long-term value creation. As our operations span logistics, bonded and non-bonded warehousing, distribution services, aviation services and solutions, and related support functions, we acknowledge that our activities interact directly with natural resources, energy systems and the broader climate ecosystem. Energy consumption across facilities, fuel use in transportation and aviation-related activities, greenhouse gas ("GHG") emissions, and operational waste streams collectively shape our environmental footprint and require disciplined oversight.

In particular, logistics and aviation services, together with warehousing and distribution operations, present carbon-intensive and resource-dependent dimensions that demand structured environmental management. Building on our commitment to comply with all applicable environmental laws and regulatory requirements, we continue to strengthen emissions management, improve energy efficiency, promote responsible resource utilisation, and enhance waste management practices, including the proper handling of lubricants and other maintenance by-products. Guided by the principles of the 4Rs (Reduce, Reuse, Recycle and Recover), we aim to minimise waste generation, reduce reliance on virgin materials where feasible, and embed environmentally conscious practices across all operational touchpoints. Through continuous monitoring and progressive improvement, we seek to balance operational excellence with environmental stewardship while contributing to broader climate resilience efforts.

Material Matters	Related SDGs Alignment Focus	
Waste and Effluent Management GHG Emission and Energy Management	SDG 3:	Managing emissions and hazardous materials to protect health and safety.
	SDG 9:	Strengthening environmental controls and operational efficiency.
	SDG 12:	Reducing waste and promoting responsible resource use.
	SDG 13:	Monitoring and reducing GHG emissions and energy use.
	SDG 15	Preventing land contamination through proper waste management.

The Group's Environmental Sustainability initiatives are aligned with selected United Nations Sustainable Development Goals ("SDGs") that reflect our material environmental matters of Waste and Effluent Management, and GHG Emission and Energy Management.

Our efforts to manage air emissions, hazardous substances and scheduled wastes across logistics services, warehousing and distribution operations support SDG 3 (Good Health and Well-Being) by safeguarding employees and surrounding communities. Through continuous improvements in environmental controls and infrastructure efficiency within our logistics and aviation operations, we contribute to SDG 9 (Industry, Innovation and Infrastructure).

Guided by the principles of the 4Rs (Reduce, Reuse, Recycle and Recover), our responsible material usage and waste minimisation practices align with SDG 12 (Responsible Consumption and Production). Our structured monitoring of fuel consumption and energy use, together with efforts to manage GHG emissions, supports SDG 13 (Climate Action). Additionally, measures to prevent soil and land contamination through proper storage and disposal of lubricants, effluents and other operational materials reinforce our contribution to SDG 15 (Life on Land).

Environmental Data Scope

Unless otherwise stated, the environmental performance data disclosed in this section relates solely to the Road Transportation & Logistics Solutions ("RT&L") division. Environmental data for the Air Cargo & Aviation Solutions ("AC&A") division is currently undergoing further enhancement in terms of data collection and consolidation processes, and will be progressively incorporated in future reporting periods as reporting systems mature.

WASTE AND EFFLUENT MANAGEMENT

Effective waste and effluent management remains a core component of SINKUNG's environmental stewardship. Across our integrated logistics and aviation operations, various waste streams arise from maintenance activities, material handling, packaging processes and facility operations, including general waste, recyclable materials, scheduled wastes such as lubricants and maintenance by-products, as well as operational effluents.

Recognising the environmental risks associated with improper handling and disposal, we are committed to minimising waste and effluent generation while optimising resource efficiency. Guided by the principles of the 4Rs (Reduce, Reuse, Recycle and Recover), we prioritise waste reduction at source, proper segregation, responsible storage and regulatory-compliant disposal practices to prevent pollution and reduce our overall environmental footprint.

Waste Segregation and Recycling Practices

SINKUNG implements waste segregation at source across our integrated logistics operations, including warehousing and administrative facilities. General waste, recyclable materials and scheduled wastes are separated to facilitate proper handling and disposal.

Within warehouse and distribution operations, efforts are made to recycle packaging materials such as cartons, plastics and wrapping materials where feasible. Pallet reuse practices are encouraged to reduce reliance on new raw materials and minimise waste generation. In office environments, initiatives to reduce paper consumption through digital documentation and controlled printing further support responsible resource use.

Through these practical measures, we reinforce our commitment to the 4Rs (Reduce, Reuse, Recycle and Recover) and promote a culture of environmental responsibility across operational and administrative functions.

Waste Generation and Recycling Performance

In FY2025, the Road Transportation & Logistics Solutions ("RT&L") division generated a total of 14,042.0 tonnes of waste, compared to 14,542.2 tonnes in FY2024, reflecting a slight reduction in overall waste generation year-on-year. The majority of waste generated comprised hazardous waste in the form of used engine oil (13,970.0 tonnes), with the remaining 72.0 tonnes classified as general waste.

In FY2024, hazardous waste (used engine oil) amounted to 14,510.0 tonnes, while 32.2 tonnes were classified as general waste. The increase in general waste generated in FY2025 is attributable to higher operational activity, in line with revenue growth during the year, while overall waste levels remained broadly consistent with the scale of operations.

During the year, 13,970.0 tonnes of waste were recycled and diverted from disposal, representing 99.5% of total waste generated (FY2024: 99.8%). The remaining 72.0 tonnes (0.5%) were directed to disposal, primarily comprising general waste that was not suitable for recycling.

Overall, the Group remains committed to responsible waste management practices by promoting recycling where feasible, while ensuring that all waste is properly handled and disposed of in accordance with applicable environmental requirements.

TOTAL WASTE GENERATED (Road Transportation & Logistics Solutions Division)						
Period	Hazardous Waste (used engine oil)	General Waste (Roro Bin)	Total	Recycled (diverted from disposal)	Non-Recycled (directed to disposal)	% of waste recycled vs. generated
	Tonnes	Tonnes	Tonnes	Tonnes	Tonnes	Percentage
FY2025	13,970.0	72.0	14,042.0	13,970.0	72.0	99.5%
FY2024	14,510.0#	32.2	14,542.2	14,510.0	32.2	99.8%

Note: # The FY2024 figure of 14,510 tonnes was previously reported as general waste in the FY2024 Sustainability Statement. Following a review, this has been reclassified as hazardous waste (used engine oil) to more accurately reflect the nature of the waste generated.

Scheduled Waste Management

With the inclusion of aircraft MRO activities within our integrated logistics and aviation operations, SINKUNG recognises that certain scheduled wastes may arise from hangar-based maintenance activities. These may include used lubricants such as hydraulic oil, engine oil, grease, fuel residues (Jet A1), oil filters, spent batteries, chemical containers, as well as contaminated materials including rags, plastics and tissue paper generated during aircraft servicing. We are committed to ensuring that such materials are properly identified, segregated and stored in designated areas prior to disposal through licensed waste contractors in accordance with applicable environmental regulations. Scheduled wastes are handled with due care to prevent leakage, contamination or environmental harm.

Although current volumes are not material to the Group's overall operations, we will continue to strengthen documentation, tracking and monitoring processes to enhance transparency and regulatory compliance.

Tyre Life Cycle Management

Tyre life cycle management plays a critical role in supporting environmental sustainability and operational efficiency across the Group's integrated logistics and aviation operations. Tyres are essential components of transportation fleets and aviation ground support equipment, directly influencing fuel efficiency, safety performance and resource consumption.

Our approach encompasses the full tyre life cycle, including procurement, usage monitoring, preventive maintenance, retreading and responsible end-of-life disposal. Through regular inspections, pressure optimisation and alignment checks, we extend tyre lifespan, enhance performance and reduce premature wear across our logistics and distribution fleets.

At end-of-life, tyres are managed through approved recycling and disposal partners in compliance with environmental regulations. Through structured tyre life cycle management, we minimise waste, reduce resource intensity and optimise operational costs while upholding safety and performance standards.

Period	Number of Tyre waste generated	Number of Tyres Retreaded and Diverted from Disposal	Total Number of Tyres directed to disposal
Road Transportation & Logistics Solutions Division			
FY2025	677	312	365
FY2024	529	232	297
Air Cargo & Aviation Solutions Division			
FY2025	4	0	4

In FY2025, a total of 677 tyres reached the end of their usable life, compared to 529 tyres in FY2024, in line with increased operational activity.

Of these, 312 tyres were retreaded and diverted from disposal (FY2024: 232 tyres), reflecting the Group's continued efforts to extend tyre lifespan and reduce waste generation. The remaining 365 tyres were directed to disposal (FY2024: 297 tyres), primarily due to wear conditions that rendered them unsuitable for further use.

A total of 4 tyres from the Air Cargo & Aviation Solutions Division reached the end of their usable life. Given the specialised nature and stringent safety requirements of aviation operations, no tyres were retreaded, and all 4 tyres were directed to disposal.

The disposal of aviation-related tyres is carried out in accordance with applicable safety and environmental requirements, ensuring that all waste is managed responsibly. The Group remains committed to maintaining proper waste handling practices across its aviation operations while exploring opportunities to enhance resource efficiency where feasible.

SUSTAINABILITY STATEMENT

Overall, the Group remains committed to enhancing tyre lifecycle management practices across our operations by promoting retreading where feasible, while ensuring that tyres are safely handled and disposed of in accordance with applicable environmental and safety requirements.

WATER AND EFFLUENT MANAGEMENT

Water stewardship and effluent control are managed as integral components of SINKUNG's environmental governance framework. Across our integrated logistics and aviation operations, water is used primarily for facility maintenance, sanitation and operational support within warehousing and hangar environments. While overall consumption remains moderate, we maintain appropriate controls to promote responsible use and ensure that effluent discharge complies with applicable environmental regulations.

Water Management

Excessive or inefficient water use can place strain on local water resources and contribute to wastewater generation that may affect surrounding ecosystems and communities. While SINKUNG's integrated logistics and aviation operations are not water-intensive, we recognise the importance of prudent water stewardship in mitigating environmental risks.

Water consumption within our warehousing facilities, administrative offices and aviation maintenance environments is primarily associated with sanitation, cleaning and general operational support. We promote responsible usage practices and monitor consumption where practicable to minimise unnecessary use. Employees are encouraged to adopt conservation measures, including mindful water usage and prompt reporting of leaks or irregularities.

Water Consumption Performance

In FY2025, the recorded a total water withdrawal of 14.377 megalitres, representing a significant reduction from 32.052 megalitres in FY2024. All water consumed during the financial year was sourced from municipal potable water, with no reliance on surface water, groundwater, quarry water or harvested rainwater.

The reduction in total water usage reflects improved consumption controls and operational efficiencies across our integrated logistics and aviation operations. Given the relatively moderate volume of water utilised and the effectiveness of existing conservation measures, water recycling systems are not currently implemented. We will continue to monitor consumption trends and assess the feasibility of additional efficiency initiatives where appropriate.

WATER WITHDRAWAL DATA / TOTAL VOLUME OF WATER USED (Megalitres) (Road Transportation & Logistics Solutions Division)							
Period	Surface Water	Groundwater	Quarry Water	Municipal Potable Water	Harvested Rainwater	Total	Water Recycled
FY2025	0	0	0	14.377	0	14.377	0
FY2024	0	0	0	32.052	0	32.052	0

EFFLUENTS

Effective effluent management forms part of the Group's broader environmental risk management framework. Operational activities such as vehicle maintenance, equipment servicing and aviation-related technical support may involve the handling of lubricants and other fluids that require controlled storage and disposal to prevent contamination of water bodies and soil.

The Group implements structured procedures for the collection, storage and disposal of used oils and maintenance by-products in compliance with applicable environmental regulations. Approved and licensed contractors are engaged where required to ensure proper recycling and treatment. Preventive maintenance practices, spill containment measures, and staff awareness protocols further support pollution prevention across operational sites.

For FY2025, RT&L recorded zero effluent discharge and no incidents of non-compliance with environmental regulations relating to effluent management. All used lubricant oil generated from fleet maintenance activities was collected and managed through approved recycling channels, with no direct discharge into public drainage systems.

This outcome reflects the effectiveness of existing preventive controls, responsible waste handling practices, and adherence to regulatory requirements within RT&L operations.

WATER DISCHARGE DATA OR EFFLUENTS (Megalitres)				
Period	Surface Water discharge (River, lake, stream, Pond)	Sub Surface Discharge Public Sewer	Off Site water treatment discharge Kualiti Alam	Total
FY2025	0	0	0	0
FY2024	0	0	0	0

GHG EMISSIONS AND ENERGY MANAGEMENT

Managing GHG emissions and energy consumption is central to the Group's environmental strategy and long-term resilience. As transportation, warehousing, and aviation-related activities inherently depend on fuel and electricity usage, the Group recognises our responsibility to monitor, manage, and progressively reduce our carbon footprint. Energy consumption and associated emissions are closely linked to operational efficiency, cost management, and climate-related risks, requiring structured oversight and continuous performance evaluation.

Across the Group, efforts are directed towards improving fuel efficiency, optimising electricity consumption, and strengthening emissions monitoring practices. Through operational controls, preventive maintenance, and efficiency-focused initiatives, we seek to minimise unnecessary energy use while maintaining service reliability. By embedding energy management considerations into operational planning and infrastructure decisions, SINKUNG aims to enhance carbon discipline and support broader climate mitigation objectives.

Energy Consumption Performance (RT&L)

In FY2025, RT&L recorded a total energy input of 123,864.66 GJ, compared to 97,564.73 GJ in FY2024. The increase was primarily attributable to higher fuel consumption, which rose to 118,190.86 GJ from 91,760.04 GJ in the previous financial year. Electricity consumption decreased to 5,673.80 GJ from 5,804.69 GJ in FY2024, reflecting continued efforts to manage facility-based energy usage.

All energy consumed during FY2025 was derived from non-renewable sources, with no renewable energy input recorded for the financial year, consistent with FY2024. Fuel usage remained the dominant component of total energy consumption, reflecting the transportation-intensive nature of RT&L's operations.

The year-on-year increase in total energy input corresponds with operational activity levels during the financial year. RT&L will continue to monitor fuel efficiency, optimise route planning, and implement energy management measures to enhance consumption efficiency and manage associated emissions.

TOTAL ENERGY CONSUMPTION (Road Transportation & Logistics Solutions Division)										
Period	Total Non-Renewal Energy (GJ)				Total Renewable Energy (GJ)			Total Energy Input (GJ)	% of Total Renewal Energy Input (GJ)
	Electricity	Fuel	Gas	Others	Solar	Steam	Others		
FY2025	5,673.80	118,190.86	0	0	0	0	0	123,864.66	0%
FY2024	5,804.69	91,760.04	0	0	0	0	0	97,564.73	0%

TOTAL ENERGY CONSUMPTION (Air Cargo & Aviation Solutions)*									
Period	Total Non-Renewal Energy (GJ)				Total Renewable Energy (GJ)			Total Energy Input (GJ)	% of Total Renewal Energy Input (GJ)
	Electricity	Aircraft Fuel**	Gas	Others	Solar	Steam	Others		
FY2025	417.00	3,522.20	0	0	0	0	0	3,939.20	0%

Note: * *Energy consumption data for Air Cargo & Aviation Solutions reflects operational records from July to December 2025 following the rebranding and integration of Sin-Kung Airways Sdn Bhd into the Group in May 2025. Accordingly, the reported figures represent a partial reporting period for FY2025.*

** *Aircraft fuel energy conversion is calculated using an energy factor of 34.7 MJ per litre.*

Climate Change & GHG Emissions

SINKUNG recognises that GHG emissions are a key contributor to climate change and a material environmental consideration across our integrated logistics and aviation operations, including transportation networks, warehousing facilities and aviation-related activities. Emissions arise primarily from fuel combustion in fleet operations and aircraft activities, as well as electricity consumption within operational facilities. Effective management of these emissions is therefore important in mitigating climate-related risks and supporting long-term operational resilience.

Across the Group, GHG emissions are monitored in accordance with internationally recognised categorisation standards, currently covering Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from purchased electricity). Through ongoing data tracking, fuel efficiency initiatives and operational controls, the Group seeks to progressively strengthen emissions management practices while supporting broader climate mitigation efforts. Scope 3 emissions are not currently disclosed and will be progressively assessed in line with evolving regulatory requirements and reporting expectations.

In FY2025, SINKUNG recorded total Scope 1 GHG emissions of 8,311.17 tCO_2e, compared with 6,326.90 tCO_2e in FY2024. The increase in Scope 1 emissions was primarily attributable to higher fuel consumption arising from increased operational activity, in line with revenue growth during the year.

Scope 2 emissions, which arise from purchased electricity consumption across operational facilities, decreased to 1,166.28 tCO_2e in FY2025 from 1,193.90 tCO_2e in FY2024. This reduction reflects lower electricity usage during the financial year as well as ongoing efforts to monitor and manage energy consumption across facilities.

Emission Performance (tCO_2e)		
PERIOD	FY2025	FY2024
SCOPE 1	8,311.17	6,326.90#
SCOPE 2*	1,166.28	1,193.90
GHG Definition		
Scope 1: Direct GHG emissions from vehicles, machineries and generator sets from sources that are controlled or owned by an organisation. Scope 2: Indirect GHG emissions associated with the purchase of electricity using Malaysia Grid emission factor. *GHG Framework: GHG Protocol* *Emission Factor: Malaysia National Grid Emission Factor (Suruhanjaya Tenaga), supplemented with IPCC 2006 Guidelines, DEFRA, BEIS for other sources where local data is unavailable.*		

* *Scope 2 emissions are calculated using the location-based method.*

SUSTAINABILITY STATEMENT

Note #: FY2024 Scope 1 emissions have been recalculated and restated from 1,833.81 tCO_2e as previously reported in the FY2024 Sustainability Statement to 6,326.90 tCO_2e, following improvements in data collection methodology and expanded operational boundaries.

Climate Change Considerations

SINKUNG acknowledges that climate change presents evolving regulatory, operational and market considerations that may affect our integrated logistics and aviation operations, including transportation networks, warehousing facilities, air cargo and charter services, and aviation maintenance activities. Physical risks such as extreme weather events, as well as transition-related developments including regulatory changes, carbon-related policies and shifting stakeholder expectations, may influence operational planning, cost management and infrastructure resilience over time.

Climate-related factors are considered within the Group's broader risk management and operational oversight processes. Current efforts focus on strengthening GHG emissions tracking capabilities, monitoring fuel and energy consumption patterns, and enhancing internal awareness of climate-related obligations. As reporting standards and stakeholder expectations continue to evolve, SINKUNG will progressively enhance our climate-related data governance and disclosure practices in a measured and structured manner.

SOCIAL SUSTAINABILITY

The Social Pillar is the living, breathing heart of SINKUNG. If Environmental stewardship reflects how we care for the planet, our Social commitments define how we care for people. It is the pulse in our corridors, the steady handshake with communities, and the promise that progress never comes at the expense of dignity.

At SINKUNG, sustainable growth is anchored in respect for human rights, fair labour practices, workplace safety and inclusive opportunity. Guided by our Sustainability Policy and Human Rights framework, and aligned with applicable laws and international standards, we integrate social responsibility across our operations and value chain.

We uphold zero tolerance for human rights violations, enforce ethical employment standards and maintain strict compliance with labour and occupational safety and health regulations. These principles apply across the Group and throughout our supply chain.

We are committed to fostering a safe, inclusive and respectful workplace where diversity is valued and individuals are empowered to grow.

Through structured governance, clear accountability and continuous oversight, the Group ensures that our Social commitments remain embedded in decision-making and operational practices.

Related Material Matters	Related SDGs Alignment Focus	
Occupational Safety and Health Labour Relations and Human Rights Training and Employee Development Community Development	SDG 3:	Prioritise a safe and healthy workplace through strict safety compliance, risk management and proactive health protection measures.
	SDG 5:	Promote equal opportunity and non-discriminatory employment practices, with strong female representation in leadership roles.
	SDG 8:	Promote sustainable economic participation through fair employment practices, workforce development and responsible community engagement.
	SDG10:	Uphold fair labour standards and inclusive workplace policies that ensure equitable treatment and access to leadership across the Group.

The Group's Social initiatives contribute to SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities). Our commitment to workplace health and safety is demonstrated through rigorous compliance with occupational safety regulations, structured risk assessments and continuous safety monitoring. We uphold ethical recruitment practices, enforce zero tolerance for forced labour and human rights violations, and ensure fair remuneration and lawful working conditions across our operations and supply chain.

We promote inclusive employment practices grounded in merit and non-discrimination, supported by meaningful female representation at Management and Board levels, including leadership by a female Chairman. Through workforce training and development initiatives, responsible local hiring and community engagement efforts, the Group strengthens sustainable economic participation while fostering a safe, equitable and empowering work environment.

OCCUPATIONAL SAFETY AND HEALTH ("OSH")

Safeguarding the health and safety of our workforce is not merely a regulatory obligation but a fundamental responsibility. In a logistics environment encompassing land transportation, warehousing and air cargo operations, where operational risks are inherent, we recognise that every safe day is the result of deliberate planning, vigilance and shared accountability. Protecting our people drives our performance, resilience and long-term sustainability.

We remain steadfast in our commitment to preventing workplace injuries and occupational illnesses. Through structured safety governance, systematic risk assessments and continuous monitoring, we proactively identify, assess and mitigate potential hazards across our operations. Our practices are firmly anchored in compliance with the Occupational Safety and Health Act 1994 and all applicable statutory and regulatory health and safety requirements.

Our commitment to OSH is operationalised through the following measures:

- **Regulatory Compliance:** Strict adherence to all applicable health and safety laws and standards.
- **Safe Working Environment:** Provision of safe and healthy working conditions designed to minimise work-related injuries and illnesses.
- **Risk Assessment and Incident Management:** Regular operational risk assessments, coupled with thorough incident investigation processes to prevent recurrence.
- **Training and Awareness:** Continuous safety education, awareness initiatives and clear communication to cultivate a culture of accountability and care.
- **Personal Protective Equipment (PPE):** Provision of appropriate PPE aligned with job roles and operational requirements.
- **Community Safeguarding:** Efforts to minimise potential health and safety impacts on stakeholders and surrounding communities.
- **Performance Monitoring:** Establishment of H&S targets with ongoing tracking and review to strengthen safety performance.

Through these measures, SINKUNG strives to build a safety culture that is proactive rather than reactive, where vigilance is embedded in daily operations and every individual plays a role in sustaining a secure and healthy workplace.

Chemical Spill Prevention and Control

Within SINKUNG's OSH framework, particular emphasis is placed on the prevention and effective management of chemical spill incidents across our land transportation, warehousing and air cargo operations. The handling of fuels, lubricants and other regulated substances presents inherent operational risks that require strict control and preparedness.