

SUSTAINABILITY STATEMENT

To mitigate potential health, safety and environmental impacts, the Group has established a structured Chemical Spill Prevention and Control Procedure. This framework encompasses hazard identification, preventive safeguards, immediate containment measures and proper disposal protocols to minimise operational disruption and environmental harm.

Employees are trained to respond promptly and safely to spill incidents, equipped with appropriate personal protective equipment and guided by clearly defined emergency response procedures. Regular drills and awareness initiatives reinforce readiness and ensure that response measures remain effective and compliant with applicable occupational safety and health regulations.

Through continuous monitoring and periodic review of our procedures, SINKUNG strengthens our preventive controls while fostering a culture of accountability, vigilance and operational discipline.

Safety and Health Performance

The Group monitors key OSH indicators across our Road Transportation & Logistics Solutions and Air Cargo & Aviation Solutions divisions to assess workplace safety performance and strengthen preventive controls. The following table presents FY2025 and FY2024 performance data for direct and contract employees, including time lost due to workplace injuries, Lost Time Incident Rate (LTIR) and fatality records.

Period	Amount of Time Lost Due to Workplace Injuries	Lost Time Incident Rate ("LTIR")	Fatality
DIRECT EMPLOYEES - ROAD TRANSPORTATION & LOGISTICS SOLUTIONS			
FY2025	1.00	0.26	0
FY2024	2.00	0.67	0
CONTRACT EMPLOYEES - ROAD TRANSPORTATION & LOGISTICS SOLUTIONS			
FY2025	2.00	0.90	0
FY2024	0.00	0.00	0
*DIRECT EMPLOYEES - AIR CARGO & AVIATION SOLUTIONS			
FY2025	0.00	0.00	0
*CONTRACT EMPLOYEES - AIR CARGO & AVIATION SOLUTIONS			
FY2025	0.00	0.00	0

**Note: FY2025 represents the base year for the Air Cargo & Aviation Solutions division, following the establishment of Sin-Kung Airways in May 2025. Comparative FY2024 data is therefore not available.*

Enhancing Road Safety: SINKUNG's Driver Training Program

Road safety remains a core priority within SINKUNG's OSH framework, particularly across our RT&L division. Given the inherent risks associated with fleet operations, we place strong emphasis on equipping our drivers with the competencies, discipline and situational awareness required to operate safely and responsibly.

Our structured Driver Training Programme covers critical safety elements including pre-departure vehicle inspections, compliance with traffic regulations and speed limits, defensive driving techniques, and proper cargo securing procedures. Drivers are also trained to respond effectively to emergency situations such as vehicle breakdowns, accidents, adverse weather conditions and unexpected route diversions.

In addition, clear standards on driver conduct, fatigue management and professional presentation are reinforced to promote accountability and operational discipline. Regular refresher sessions, performance reviews and internal audits are conducted to strengthen compliance and embed continuous improvement in driving practices.

Through sustained investment in driver capability and behavioural standards, SINKUNG seeks to minimise road-related incidents, protect our workforce and contribute to safer public road usage.

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Aviation Safety Oversight

For the AC&A division, operational safety is governed by applicable aviation regulatory standards and established safety management procedures. The Group remains committed to maintaining strict compliance, operational oversight and continuous improvement in alignment with our OSH framework as aviation activities evolve.

OSH Training and Competency Development

Continuous training remains a cornerstone of SINKUNG's OSH framework, reinforcing our commitment to cultivating a safety-conscious workforce across all operational divisions.

In FY2025, 200 out of 354 employees (56.5%) received structured OSH training (FY2024: 149 out of 257 employees, representing 58.0%). The increase in the number of employees trained reflects the Group's ongoing efforts to strengthen safety awareness as our workforce expands. A total of 232 hours of OSH training were conducted during the financial year, reflecting our continued investment in preventive education and operational discipline.

To ensure a safe and compliant work environment, SINKUNG supplements our internal programmes with specialised training sessions conducted by qualified external experts, particularly for operational personnel. Selected employees are also provided opportunities to obtain relevant certifications through approved off-site training programmes, strengthening technical competency and regulatory compliance.

Through structured learning, expert-led programmes and certification pathways, the Group enhances workforce preparedness while reinforcing accountability at all levels. SINKUNG will continue to review and enhance our OSH training initiatives to ensure relevance, effectiveness and alignment with evolving operational and regulatory requirements.

NUMBER OF EMPLOYEES TRAINED ON SAFETY AND HEALTH STANDARDS		
Period	Total Number of Employees	Total Number of employees trained on safety and health standards
FY2025	354	200
FY2024	257	149

The table below shows the types of safety and health training conducted in FY2025.

FY2025 SAFETY & HEALTH TRAINING		
Training Topics	No. of Hours	No. of Attendees
Aviation Security Awareness (AVESC-1)	8	15
Seminar Badan Penaraju Industri (ILB) Bidang Kebombaan 2025	8	3
Safety Management System	16	18
IATA Dangerous Goods Regulation Course	16	1
Safety Emergency Procedure (SEP) P180	24	2
Safety Management System-Initial	8	7
Dangerous Goods Awareness	8	16
Dangerous Goods Regulation (DGR) Function 4	16	18
Safety Management System	8	17
Boeing 737-400 Safety Emergency Procedure (SEP)	24	16
Dangerous Goods Regulation (DGR) Function 5	16	20
Dangerous Goods Regulation (DGR) Function 7	16	11

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FY2025 SAFETY & HEALTH TRAINING

Training Topics	No. of Hours	No. of Attendees
Aviation Security Awareness (AVESC-1)	16	20
Airside Safety	8	17
Emergency Response Procedure	16	18
Dangerous Goods Regulation (DGR) Function 3	24	1
Total	232	200



Warehouse and aviation personnel participating in Dangerous Goods Regulations (DGR) training to ensure safe handling and compliance in handling hazardous materials.



Aviation staff undergoing Aviation Security Awareness training to enhance operational safety.

LABOUR RELATIONS AND HUMAN RIGHTS

SINKUNG is firmly committed to upholding human rights and ethical labour practices across our operations. Guided by our Sustainability Policy and Human Rights framework, and aligned with the UN Guiding Principles on Business and Human Rights, we embed respect for human dignity and fair labour standards throughout our value chain.

The Group maintains a zero-tolerance stance against human rights violations, including modern slavery, forced labour and human trafficking. Ethical recruitment practices, fair contractual arrangements and periodic reviews of employment and supply chain practices are implemented to mitigate potential risks. All employees, suppliers, contractors and business partners are expected to comply with these standards as part of our shared responsibility framework.

We strictly prohibit all forms of abuse, harassment, discrimination and excessive working hours. Employees are not compelled to work against their will under any circumstances. Working conditions, remuneration and benefits are administered in accordance with applicable labour laws and regulatory requirements.

Through structured oversight, clear grievance channels and ongoing monitoring, SINKUNG reinforces a workplace culture grounded in fairness, accountability and respect. As our operations expand, the Group remains committed to strengthening our labour governance practices to ensure consistency, compliance and continuous improvement.

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Labour Standards

We comply with all applicable labour laws and regulatory requirements across our operations. By upholding established employment standards, the Group seeks to promote decent work, protect employee rights and foster fair and responsible business practices throughout our value chain.

Key labour standards observed by the Group include:

- **Child Labour:** We strictly adhere to Malaysia's Children and Young Persons (Employment) Act 1966 and do not tolerate any form of child labour within our operations or supply chain.
- **Freedom of Association and Collective Bargaining:** We respect employees' rights to freedom of association and collective bargaining in accordance with Malaysian labour legislation.
- **Disciplinary and Grievance Practices:** All employees are treated with dignity and respect. The Group prohibits corporal punishment, mental or physical coercion and any form of verbal abuse.
- **Working Hours:** Working hours, overtime arrangements and rest periods are administered in compliance with applicable national laws and regulations.
- **Remuneration and Benefits:** Compensation and benefits are provided in accordance with statutory requirements, merit and performance considerations.

Child Labour

SINKUNG maintains a strict prohibition against child labour in all forms. Recruitment and employment practices are structured to ensure compliance with applicable legislation, including age verification procedures. The Group expects our suppliers and business partners to uphold the same standards, reinforcing our commitment to protecting the rights and welfare of young persons within our value chain.

Modern Slavery and Ethical Recruitment

A zero-tolerance approach is maintained towards modern slavery, forced labour and human trafficking across our operations and supply chain. We recognise that such risks may arise within global and domestic supply chains, particularly in labour-intensive industries, and therefore implement preventive controls to safeguard against these practices.

Ethical recruitment standards are applied to ensure that employment arrangements are transparent, voluntary and governed by fair contractual terms. Employees are not required to lodge deposits or surrender personal identification documents, and recruitment fees are not imposed on workers. Where foreign workers are engaged, employment terms are administered in compliance with applicable legal requirements and humanitarian standards.

Periodic assessments of operations and supply chain practices are conducted to identify potential risk areas. Suppliers, contractors and business partners are expected to adhere to the same principles, and any non-compliance is addressed through appropriate corrective measures in accordance with the Group's governance framework.

Through clear policies, due diligence processes and ongoing oversight, ethical labour practices are reinforced across the Group's value chain.

Grievance Mechanism

We are committed to maintaining a transparent, confidential and accountable reporting environment in line with the Group's Whistleblowing Policy.

The Policy establishes a formal mechanism that enables employees, third parties and members of the public to report genuine concerns regarding misconduct, labour non-compliance, human rights violations or unethical practices without fear of retaliation.

In accordance with the Policy, employees are encouraged to raise concerns through their immediate supervisor where appropriate. Where this is not feasible or where senior management may be implicated, concerns may be escalated to a designated independent party, including a member or the Chairperson of the Audit and Risk Management Committee ("ARMC"), or a senior independent director.

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External stakeholders may submit concerns directly to the Chairperson of the ARMC through the following official channels:

- **By mail:**
In a sealed envelope marked "Strictly Confidential – To Be Opened by Addressee Only" addressed to:
Chairperson of ARMC
Sin-Kung Logistics Berhad
Lot 1928, Jalan Bukit Kemuning,
40460 Shah Alam, Selangor Darul Ehsan,
Malaysia.
- **By email:**
whistleblowing@sinkung.com.my

All reports are handled with strict confidentiality and investigated in accordance with established procedures. The identity of the whistleblower is protected to the fullest extent reasonably practicable, and protection against retaliation is provided in line with the Whistleblower Protection Act 2010 and applicable legal provisions.

Through structured reporting channels, independent oversight by the ARMC and clearly defined investigation protocols, we reinforce accountability and uphold ethical standards across the Group's operations.

The full Whistleblowing Policy is available on the Company's website at <https://www.sinkung.my/CorporateGovernance.php>.

Compliance and Grievance Performance Overview

Compliance with labour regulations, human rights standards and internal policies is monitored across the Group's operations and supply chain through structured oversight and reporting mechanisms.

In FY2025, zero reported cases of human rights violations, labour non-compliance, workplace misconduct or formal grievances were recorded. In addition, no fines or penalties relating to labour or human rights matters were imposed during the financial year.

These outcomes reflect the effectiveness of our preventive controls, internal monitoring processes and established reporting channels. The Group remains committed to maintaining vigilance and continuously strengthening our governance framework to uphold ethical labour standards across our value chain.



Diversity and Inclusivity

If the Social Pillar is the living, breathing heart of SINKUNG, diversity and inclusivity shape our character. They influence how decisions are made in the boardroom and how collaboration unfolds across our operations. We believe sustainable growth is strongest when leadership reflects a range of perspectives and opportunities are extended fairly across the organisation.

Our approach is grounded in merit, respect and equal opportunity. Clear policies prohibit discrimination, bullying and harassment in any form, while recruitment, promotion and development processes are conducted objectively to ensure fairness and transparency.

Diversity at SINKUNG is reflected both at Board level and across our workforce, as outlined below.

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Board Diversity

The Board comprises nine directors in FY2025, with female representation at **44%** (four out of nine directors). The Board is chaired by a female Independent Non-Executive Chairman, reflecting inclusive leadership at the highest level of governance. In an industry traditionally perceived as male-dominated, this composition demonstrates the Group's commitment to balanced representation and diverse perspectives in strategic oversight.

Board composition also reflects diversity across ethnicity and age groups, supporting a breadth of experience and viewpoints in guiding the Group's long-term direction.

BOARD DIVERSITY				
	FY2025		FY2024	
	Number	%	Number	%
BY GENDER				
Male	5	56	5	56
Female	4	44	4	44
BY AGE GROUP				
30 and below	0	0	0	0
31 - 50	3	33	3	33
51 and above	6	67	6	67
BY ETHNICITY				
Malay	3	33	3	33
Chinese	5	56	5	56
Indian	1	11	1	11
Other Ethnic Minorities Non-Malaysian				
Total	9		9	

Workforce Diversity

As the Group expanded our operations in FY2025, total workforce strength increased to 354 employees (FY2024: 257 employees), reflecting organisational growth and operational scale-up. The workforce comprises 25% female and 75% male employees, a composition broadly reflective of the operational nature of the logistics industry.

The majority of employees fall within the 31-50 age group, representing a mature and experienced workforce that supports operational stability and productivity. Workforce composition also reflects ethnic diversity across the Group, contributing to varied perspectives and collaborative strength within teams.

While the operational profile of the industry influences workforce demographics, SINKUNG remains committed to fair recruitment practices, equal opportunity and inclusive employment policies. The Group continues to ensure that hiring, development and advancement decisions are based on merit, capability and performance.

Workforce diversity indicators, including employee distribution by gender, age and ethnicity, are presented in the tables below.

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WORKFORCE DIVERSITY				
	FY2025		FY2024	
	Number	%	Number	%
BY EMPLOYMENT TYPE				
Permanent	149	42	133	52
Contractual	205	58	124	48
BY GENDER				
Male	265	75	187	73
Female	89	25	70	27
BY AGE GROUP				
30 and below	89	25	91	35
31 - 50	200	56	117	46
51 and above	65	19	49	19
BY ETHNICITY				
Malay	228	65	167	65
Chinese	51	14	46	18
Indian	69	20	37	15
Other Ethnic Minorities	5	1	6	2
Non-Malaysian	1	0	1	0
Total	354		257	

Workforce Profile

An analysis of workforce distribution by employee category reflects meaningful female participation across leadership and professional levels within the Group.

Within the Senior Management category, gender representation was evenly balanced in FY2025, with female employees accounting for 50% of the category. At Middle Management level, female participation stood at 39%, demonstrating representation within key supervisory and decision-making roles. Female employees also comprised 44% of the Technical / Others category, reflecting strong participation across specialised and support functions.

At Executive level, female representation was 28%, while the Drivers category remained predominantly male at 99%, consistent with the operational profile of logistics and transportation roles.

From an age perspective, the majority of employees across categories fall within the 30–50 years bracket, supporting operational maturity and stability. Representation is also observed among younger employees below 30 years as well as employees above 50 years, contributing to workforce continuity and experience diversity.

This distribution across leadership tiers, professional functions and age groups reflects the Group's commitment to inclusive employment practices while maintaining operational effectiveness.

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WORKFORCE DISTRIBUTION BY CATEGORY, GENDER AND AGE										
	FY2025					FY2024				
	GENDER		AGE			GENDER		AGE		
	Male	Female	< 30	30-50	> 50	Male	Female	< 30	30-50	> 50
Senior Management	50%	50%	0%	50%	50%	25%	75%	0%	50%	50%
Managerial	61%	39%	16%	53%	31%	57%	43%	10%	54%	36%
Executive	72%	28%	26%	63%	11%	54%	46%	54%	38%	8%
Drivers	99%	1%	13%	60%	27%	99%	1%	13%	57%	30%
Technical / Others	56%	44%	43%	52%	5%	56%	44%	63%	33%	4%

Workforce Retention and Turnover

In FY2025, the Group recorded a total of 186 new hires, representing a new hire rate of approximately 53% (FY2024: 49%). This reflects workforce expansion and operational scale-up during the financial year as business activities increased.

Total employee turnover for FY2025 amounted to 156 employees, corresponding to an overall turnover rate of approximately 44%, broadly consistent with FY2024 (43%). Workforce movements were primarily concentrated within operational and technical categories.

It is important to note that approximately 58% of the Group's workforce comprises contractual employees, particularly within operational and project-based roles. As such, turnover levels largely reflect contract completions, project cycles and workforce adjustments aligned with operational requirements, rather than systemic retention concerns.

Importantly, no departures were recorded at Senior Management level during FY2025, indicating stability and continuity within the Group's leadership structure.

The Group continues to monitor workforce trends and movement patterns to support effective workforce planning, operational continuity and the retention of critical talent across key functions.



EMPLOYEE TURNOVER BY CATEGORY		FY2025		FY2024	
Category		Number	% of total	Number	% of total
Senior Management		0	0%	0	0%
Middle Management		14	9%	6	6%
Executive		9	6%	7	6%
Drivers		41	26%	45	41%
Technical / Others		92	59%	52	47%
Total		156		110	

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TRAINING AND EMPLOYEE DEVELOPMENT

If diversity shapes who we are, training shapes who we become. At SINKUNG, continuous learning remains central to building capability across an expanding operational landscape.

In FY2025, structured training programmes were delivered across operational, governance and professional development areas to strengthen operational excellence and reinforce leadership accountability. Training efforts focused on ethical conduct, regulatory compliance, occupational safety and operational competencies, ensuring that employees are equipped to meet evolving business and regulatory requirements. In total, **5,082 training hours** were delivered during the year, translating to an **average of 13.9 training hours per employee**.

A significant proportion of training hours were dedicated to regulatory and governance compliance, reflecting the Group's strengthened oversight framework and the expansion into air cargo and aviation solutions, which operates within a regulated environment. Comprehensive participation in Anti-Bribery and Anti-Corruption training further reinforces the Group's commitment to integrity across all levels of the organisation.

Details of training hours and participation levels by category are presented in the table below.



TYPES OF TRAINING	TOTAL NO. OF HOURS	NO. OF ATTENDEES
Anti-Bribery and Anti-Corruption	8	354
Health and Safety	232	200
Environmental	40	1
Regulatory and Governance Compliance	41	5
Career Development	2	30
Operational (finance, technical, risk mgt. IT & others.)	519	130

TOTAL HOURS OF TRAINING BY EMPLOYEE CATEGORY	FY2025	FY2024
Board of Directors	352	Not Recorded**
Senior Management	80	143
Managerial	1,803	177
Executive	2,056	53
Drivers/ Technical / Others	791	84
Total	5,082	457

Note: ** Board of Directors' training hours for FY2024 were not separately recorded.

Training remains a strategic enabler of the Group's operational resilience and governance strength. As SINKUNG continues to expand our service offerings, including within regulated aviation-related activities, the development of technical expertise, leadership capability and compliance awareness will remain integral

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to sustainable growth. The Group is committed to fostering a culture of continuous learning to support employee progression, operational excellence and long-term value creation.

EMPLOYEE WELFARE & BENEFITS

A sustainable organisation is built not only on capability and performance, but also on care. At SINKUNG, employee welfare forms an essential component of our Social commitment, ensuring that our workforce is supported both professionally and personally.

Employees are provided with comprehensive statutory and additional leave entitlements, including annual leave, medical leave, compassionate leave, maternity and paternity leave, marriage leave, and leave provisions for bereavement and natural calamities. Paid sick leave is structured progressively based on years of service, with hospitalisation leave of up to 60 days per calendar year, in accordance with statutory requirements. Employees are supported through access to designated panel clinics and government healthcare facilities.

Fair and equitable remuneration practices are upheld in accordance with statutory requirements, performance considerations and role responsibilities. Beyond formal benefits, SINKUNG strives to maintain a safe, hygienic and conducive work environment. Clear workplace standards, safety expectations and professional conduct guidelines support a respectful and structured working atmosphere.

Employee engagement initiatives, including annual company gatherings, foster camaraderie across operational functions. The provision of petrol claims for work-related travel further supports employees whose roles require mobility.

As the Group continues to expand our operations, SINKUNG remains committed to promoting employee well-being, engagement and long-term employment sustainability.

Beyond our workforce, the Group also recognises our responsibility to contribute positively to the communities in which we operate.

COMMUNITY DEVELOPMENT

Beyond our workforce, the Group also recognises our responsibility to contribute positively to the communities in which we operate.

As a logistics and aviation-related services provider, SINKUNG operates within diverse local environments that support our growth and continuity. The Group acknowledges that sustainable business performance is closely connected to the well-being of surrounding communities. Community engagement therefore remains an important pillar of our broader Social commitment.

Through structured contributions and targeted support initiatives, SINKUNG seeks to assist vulnerable groups, educational institutions, community associations and cultural organisations. Our approach emphasises meaningful engagement, transparency and alignment with genuine community needs, ensuring that our contributions deliver tangible impact rather than one-off gestures.

In FY2025, SINKUNG invested a total of RM33,897 in community initiatives (FY2024: RM16,166), representing an increase of approximately 110% year-on-year. These contributions benefitted nine organisations during the financial year, compared to six beneficiaries in FY2024.

COMMUNITY INVESTMENTS



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The Group's support included both direct monetary donations and contributions of essential items, assisting welfare centres, child care institutions and community organisations. Contributions were also extended to cultural and religious associations in support of community events and celebrations.

Through these initiatives, SINKUNG aims to foster positive relationships with surrounding communities, promote social inclusion and contribute meaningfully to local well-being.

Details of the Group's community investments and beneficiaries are presented in the table below.

INVESTMENT IN COMMUNITY AND SOCIETY	FY2025	FY2024
Total community investment (RM)	33,897	16,166
Total number of external beneficiaries	9	6

FY2025 CHARITABLE INITIATIVES AND DONATIONS		
Beneficiary	Purpose	Amount (RM)
Pertubuhan Kebajikan Kasih Sayang Alam Damai	Donation to support centre	2,000
Pertubuhan Kebajikan Kasih Sayang Alam Damai	Donation of essential items	4,300
Kademy Sdn Bhd	Donation	8,000
MRSM Kubang Pasu	Donation	300
Pusat Penjagaan Kanak-Kanak Cacat Taman Megah	Donation	3,000
Pusat Penjagaan Kanak-Kanak Cacat Taman Megah	Donation of essential items	3,062
Pertubuhan Penyokong Perayaan Por Tor	Donation	1,000
PPRB Hock Onn	Donation	1,000
Persatuan Penganut Sheng Feng Gong Subang Jaya	Donation	1,216
Bukit Naga Fun Run	Donation of essential items	1,020
Persatuan Pengurusan Tokong Mausan Klang	Donation	8,999



Donation and community visit to Pertubuhan Kebajikan Kasih Sayang Alam Damai.



Support for Bukit Naga Fun Run through donation of hampers for winners.

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Community visit to Pusat Penjagaan Kanak-Kanak Cacat Taman Megah.

ADVANCING OUR SOCIAL COMMITMENT

In FY2025, the Group's ESG focus remained strongly anchored in the Social pillar, reflecting SINKUNG's commitment to people – within the organisation and across the communities in which we operate. Through structured workforce development, strengthened employee welfare practices and expanded community contributions, we reinforced our belief that sustainable growth must be supported by responsible social engagement.

Community investment more than doubled during the year, and structured training hours increased significantly, demonstrating tangible progress in building internal capability and external social impact. These efforts reflect our growing awareness of sustainability principles and our evolving understanding of ESG reporting expectations.

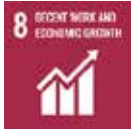
While Social initiatives remained our highest priority in FY2025, we continued to uphold established Environmental and Governance practices as part of normal business operations. Energy efficiency measures within warehouse operations and fleet management initiatives remain embedded in operational routines. From a governance perspective, internal controls, the Anti-Bribery and Corruption Policy and the Whistle-Blowing Policy continue to guide ethical conduct, transparency and accountability across the organisation.

The implementation of ESG initiatives has strengthened internal coordination, improved monitoring processes and enhanced transparency in decision-making. At the same time, we recognise that ESG integration is a progressive journey. Resource allocation, data collection and balancing operational priorities remain ongoing considerations as we continue to mature our sustainability practices.

Collectively, these efforts contribute to our alignment with the United Nations Sustainable Development Goals, particularly SDG 3 (Good Health and Well-being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), reinforcing our commitment to fostering a safe, equitable and inclusive environment for employees and surrounding communities.

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GOVERNANCE



Strong governance is fundamental to responsible and sustainable business practices. At SINKUNG, we are committed to upholding high standards of integrity, transparency and accountability across our operations. Our governance framework guides how we manage key matters such as business ethics, regulatory compliance, data privacy and security, and third-party compliance, ensuring that our activities are conducted responsibly and in accordance with applicable laws and regulations. Through these practices, we aim to strengthen stakeholder trust while supporting the Group's long-term value creation.

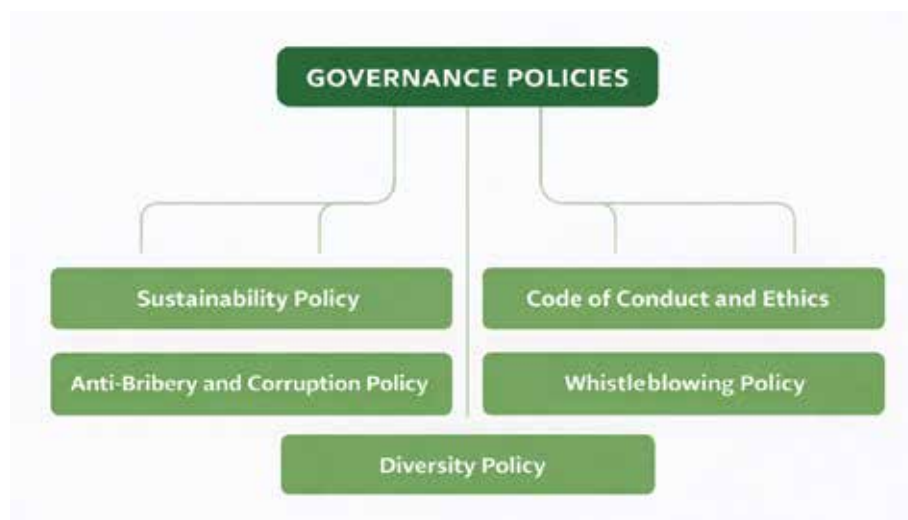
The Group's governance approach supports the SDG 8: Decent Work and Economic Growth, SDG 9: Industry, Innovation and Infrastructure, and SDG 16: Peace, Justice and Strong Institutions. Through responsible and ethical business practices, effective data governance and cybersecurity measures, and strong corporate governance and regulatory compliance, we seek to uphold transparency, accountability and integrity across our operations.

Related Material Matters	Related SDGs Alignment Focus
Business Ethics and Corporate Governance Data Privacy and Security Regulatory Compliance Third Party Compliance	SDG 8: Promoting responsible and ethical business conduct that supports sustainable economic growth and fair workplace practices. SDG 9: Strengthening secure and resilient digital systems through effective data governance, cybersecurity and responsible technology management. SDG16: Upholding strong corporate governance, regulatory compliance, transparency and anti-corruption practices across the Group.

Our Policies and Frameworks

SINKUNG's governance policies and frameworks guide how we conduct our business responsibly and with integrity. These policies establish clear standards for ethical conduct, accountability, and transparency across the Group, while supporting responsible environmental and social practices.

Our policies apply to all employees and are communicated to relevant stakeholders, including vendors, suppliers and business partners. Through these frameworks, we reinforce our commitment to maintaining high standards of corporate governance and fostering trust with our stakeholders.



For more information on our governance policies, please visit: <https://www.sinkung.my/CorporateGovernance.php>

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To uphold strong governance practices, the Group maintains clear commitments to ethical conduct, regulatory compliance and data protection across our operations. Guided by our Code of Conduct and Ethics, Anti-Bribery and Corruption Policy, and data governance practices, we strive to maintain zero incidents of corruption, zero regulatory compliance breaches and zero data breaches. These commitments reinforce our focus on integrity, transparency and responsible business practices while safeguarding stakeholder trust.



BUSINESS ETHICS AND CORPORATE GOVERNANCE

Integrity is central to the way the Group conducts our business. We are committed to upholding high standards of ethical conduct, transparency and accountability across our operations. The Group's Code of Conduct and Ethics sets out clear expectations for employees and business partners, guiding responsible decision-making and reinforcing our commitment to ethical business practices. In addition, our Anti-Bribery and Corruption Policy establishes a zero-tolerance approach towards bribery and corruption at all levels of the organisation.

To promote transparency and accountability, the Group has established a Whistleblowing Policy that enables employees and stakeholders to report concerns relating to suspected fraud, misconduct or integrity breaches. Reports may be submitted confidentially and without fear of retaliation, ensuring that appropriate actions are taken to investigate and address the matter.

Reports can be submitted in writing, orally, or via email to the Chairperson of the Audit and Risk Management Committee ("ARMC") through the following secure channels:

Confidential Mail: Send a sealed envelope marked "Strictly Confidential – To Be Opened by Addressee Only" to: Sin-Kung Logistics Berhad, Lot 1928, Jalan Bukit Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia.

Secure Email: Submit your report to: whistleblowing@sinkung.com.my

Anti-Corruption and Anti-Bribery

The Group maintains a strict zero-tolerance approach towards bribery and corruption in all forms. Guided by our Anti-Bribery and Corruption Policy, we are committed to conducting business with integrity, transparency and accountability while complying with applicable laws and regulations, including the Malaysian Anti-Corruption Commission Act 2009 and the Companies Act 2016.

The Policy applies to all directors, employees, suppliers and business associates of the Group. It establishes clear standards governing conflicts of interest, gifts and hospitality, donations and sponsorships, and strictly prohibits facilitation payments, kickbacks and other improper payments. These measures support a culture of ethical conduct and responsible business practices across the organisation.

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The Group also provides anti-corruption awareness and training to employees across all levels of the organisation to reinforce understanding of ethical standards and compliance requirements. The full Anti-Bribery and Corruption Policy is available on the Group's website at:

<https://www.sinkung.my/CorporateGovernance.php>

Percentage of Employees Who Received Training on Anti-Corruption

SINKUNG remains committed to strengthening anti-corruption awareness and ensuring that employees understand their responsibilities in upholding ethical standards. During FY2025, 100% of employees across all categories received anti-corruption training, reflecting the Group's continued emphasis on promoting integrity and responsible conduct throughout the organisation.

PERCENTAGE OF EMPLOYEES WHO RECEIVED TRAINING ON ANTI-CORRUPTION				
Period	Employee Category	Total number of employees	Number of employees who received training	%
FY2025	Senior Management	4	4	100%
	Middle Management	50	50	100%
	Executive	46	46	100%
	Driver/Technical / Others	254	254	100%
	Total	354	354	100%
FY2024	Senior Management	4	4	100%
	Middle Management	28	28	100%
	Executive	13	13	100%
	Driver/Technical / Others	212	212	100%
	Total	257	257	100%

The Group also monitors and investigates any reported concerns relating to bribery or corruption in accordance with our established policies and procedures. During FY2025, there were no confirmed incidents of corruption and no disciplinary actions taken. The Group will continue to maintain effective governance practices and internal controls to prevent, detect and address corruption risks across our operations.

CONFIRMED INCIDENTS OF CORRUPTION AND ACTION TAKEN	FY2025	FY2024
Number of confirmed incidents of corruption	0	0
Number of action(s) taken	0	0

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DATA PRIVACY AND SECURITY

Protecting confidential, personal and sensitive information is a key priority for the Group. Comprehensive data privacy and cybersecurity measures are implemented across our operations to safeguard information assets and reduce exposure to cyber threats and unauthorised access. These include the deployment of cybersecurity safeguards such as firewalls, antivirus software and other IT security controls designed to prevent data loss, system compromise and other potential security incidents.

To strengthen organisational awareness and resilience against cyber risks, periodic IT security awareness initiatives are conducted to educate employees on emerging cybersecurity threats and responsible data handling practices.

Compliance with the Personal Data Protection Act 2010 (“PDPA”) remains an important component of our data protection framework, ensuring that personal data is collected, processed and safeguarded in accordance with applicable regulatory requirements. Through these measures, the Group maintained a strong cybersecurity posture with **no recorded incidents of ransomware attacks or data breaches during the reporting period.**

Complaints concerning breaches of:

- stakeholder privacy
- loss of customer data
- cybersecurity

FY2025
FY2024**ZERO**

REGULATORY COMPLIANCE

The Group’s commitment to regulatory compliance ensures adherence to all applicable laws, rules and regulations within our operating jurisdictions. Given the dynamic nature of regulatory environments, we maintain vigilant monitoring and a clear understanding of the regulatory requirements relevant to our operational activities.

Regulatory compliance practices are continuously reviewed and updated to reflect evolving business and operational needs, enabling the Group to mitigate potential risks and ensure safe operations across our warehouses and transportation activities. Through oversight by the Board of Directors and ongoing engagement with regulatory authorities, the Group strives to maintain full compliance with applicable regulatory requirements. Targeted compliance training is also provided to employees to enhance their understanding of relevant laws, regulations and internal policies, supporting compliance in their respective roles.

In recognition of our strong compliance track record, Sin-Kung Logistics Berhad has been awarded the Authorised Economic Operator (AEO) status by the Royal Malaysian Customs Department. This certification reflects the Group’s commitment to maintaining high standards of regulatory compliance and supply chain security. Achieving AEO status demonstrates our adherence to stringent customs requirements and operational integrity, reinforcing our role as a trusted partner in international trade and logistics.

During FY2025, the Group complied with all applicable environmental, social and other relevant laws and regulations governing our operations. No penalties or fines were imposed on the Group by regulatory authorities during the reporting period.

The Group’s aviation operations are guided by the regulatory framework established by the Civil Aviation Authority of Malaysia (“CAAM”), ensuring adherence to applicable safety, operational and airworthiness requirements.

Following the launch of Sin-Kung Airways Sdn. Bhd. (“SKA”) on 20 May 2025, the Group has undertaken the necessary steps to obtain the relevant regulatory approvals required to commence commercial air



SUSTAINABILITY STATEMENT

transport operations, including the Air Operator Certificate (“AOC”) and Air Service Permit (“ASP”). These applications are part of the Group’s ongoing efforts to ensure full compliance with applicable aviation laws and regulatory standards.

To support continuing airworthiness, SKA maintains a certified Continuing Airworthiness Management Organisation (“CAMO”), with approval renewed following a regulatory audit. It also maintains approved maintenance capabilities in accordance with applicable civil aviation directives.

SKA has obtained an Approved Maintenance Organisation (“AMO”) certification, which authorises the performance of aircraft maintenance, repair and overhaul activities in accordance with CAAM requirements. During the year under review, maintenance operations were conducted at Langkawi International Airport.

Operational readiness is further supported by procedures and systems developed in alignment with CAAM requirements, ensuring that aviation activities are conducted within approved safety and regulatory parameters.

The Group remains committed to achieving full regulatory compliance and upholding high standards of safety, reliability and operational integrity as we progress towards the commencement of our aviation operations.

THIRD-PARTY COMPLIANCE AND VALIDATION

Third-party compliance plays an important role in supporting the Group’s operational standards and service quality. In addition to complying with applicable laws and regulations, SINKUNG aligns our operations with recognised industry standards and client-specific requirements. Compliance with these standards is independently validated through certifications issued by recognised certification bodies, providing assurance to our clients and stakeholders.

The Group’s operations are periodically evaluated and verified by independent third parties through structured assessments and certification audits. These evaluations typically involve detailed physical inspections and documentary reviews to verify operational capabilities and compliance with established standards. The scope of such audits covers key operational areas including warehouse operations, transportation activities, as well as governance practices, policies, risk management and business continuity arrangements.

The Group currently holds the following certifications:

- **ISO 9001:2015 Certification**, which validates our commitment to quality management across bonded and non-bonded transportation, warehousing, container haulage and courier services.
- **Good Distribution Practice for Medical Devices (GDPMD)**, certifying our quality management system for the storage and handling, warehousing, distribution (including transportation) and documentation, including the traceability of single-use medical devices and assistive products for persons with disabilities.
- **Good Distribution Practice (GDP) Certification**, confirming our compliance to the highest standards in warehousing, storage and distribution including transportation of pharmaceutical products.